

Begin Faces Vote Of No Confidence On Golan Dispute

TEL AVIV — Prime Minister Menachem Begin faced a no-confidence vote Monday over his handling of the Golan Heights dispute. The vote was expected to be a referendum on his leadership, not on the Golan Heights issue itself. The no-confidence motion was introduced by the opposition Labor Party, led by Shimon Peres. The motion was based on Begin's handling of the Golan Heights dispute, which has been a major issue in Israeli politics since 1967. The motion was expected to pass, but it was not clear whether Begin would resign or stand for a new election.

Begin's government has been in a difficult position since it took office in March 1981. It has faced a series of crises, including the Golan Heights dispute, the Lebanon conflict, and the Iranian revolution. The government has also faced a series of economic problems, including inflation and a balance of payments crisis.

Loans for Iraq Create A Power Shift in Gulf

ABU DHABI — Kuwait has agreed to lend Iraq another \$2 billion to help finance its war against Iran, raising the total amount of loans extended to Baghdad by the conservative Gulf states to at least \$16 billion since the onset of the conflict 15 months ago. The loans are expected to give Iraq a significant financial boost, which could allow it to sustain its war effort for a longer period.

The loans are expected to give Iraq a significant financial boost, which could allow it to sustain its war effort for a longer period. The loans are also expected to create a power shift in the Gulf, as the conservative Gulf states become more influential in the region.

The loans are also expected to create a power shift in the Gulf, as the conservative Gulf states become more influential in the region. The loans are also expected to create a power shift in the Gulf, as the conservative Gulf states become more influential in the region.



Polish police line up to stop protesters in a Warsaw street. A Solidarity union member took the photograph and gave the undeveloped film to a photographer from the Danish daily Politiken. The photographer developed the film and hid negatives in his clothing and luggage when he took a train to East Germany. He was searched at the border but the negatives were not found.



A Pole identified as wearing an armband of a new workers' militia helps East Germans unload an unspecified consignment from East Germany. The photograph is from the East German agency, ADN.

Polish Regime's Concern Grows Over Output by Private Farmers

WARSAW — Poland's martial-law authorities are showing increasing concern over getting adequate deliveries of foodstuffs from private farmers, who cultivate about 80 percent of the country's arable land. The government is worried that private farmers are not producing enough food to meet the needs of the population, especially in the winter months.

The government is worried that private farmers are not producing enough food to meet the needs of the population, especially in the winter months. The government is also worried that private farmers are not paying enough taxes, which is a source of revenue for the state.

The government is also worried that private farmers are not paying enough taxes, which is a source of revenue for the state. The government is also worried that private farmers are not paying enough taxes, which is a source of revenue for the state.

3,000 Miners on Strike, Warsaw Radio Reports

VIENNA — Warsaw Radio reported for the first time Monday that an occupation strike was going on in two coal mines in southern Poland. The strike was reported to be a result of a dispute over wages and working conditions. The strike could have a significant impact on Poland's coal production, which is a major source of energy for the country.

The strike was reported to be a result of a dispute over wages and working conditions. The strike could have a significant impact on Poland's coal production, which is a major source of energy for the country. The strike was reported to be a result of a dispute over wages and working conditions.

The strike was reported to be a result of a dispute over wages and working conditions. The strike could have a significant impact on Poland's coal production, which is a major source of energy for the country. The strike was reported to be a result of a dispute over wages and working conditions.

The strike was reported to be a result of a dispute over wages and working conditions. The strike could have a significant impact on Poland's coal production, which is a major source of energy for the country. The strike was reported to be a result of a dispute over wages and working conditions.

U.S. Invalidates Visa for Paisley Over 'Divisive Tone' of Actions

WASHINGTON — The State Department said Monday that it has invalidated the visa of the Rev. Ian Paisley, the Northern Ireland Protestant leader, because of the "divisive tone" of his recent actions and statements. The State Department said that Paisley's actions and statements were "divisive" and "incendiary", and that they were a threat to the peace in Northern Ireland.

The State Department said that Paisley's actions and statements were "divisive" and "incendiary", and that they were a threat to the peace in Northern Ireland. The State Department said that Paisley's actions and statements were "divisive" and "incendiary", and that they were a threat to the peace in Northern Ireland.

The State Department said that Paisley's actions and statements were "divisive" and "incendiary", and that they were a threat to the peace in Northern Ireland. The State Department said that Paisley's actions and statements were "divisive" and "incendiary", and that they were a threat to the peace in Northern Ireland.

Troubled Morocco: Test Case for Washington?

MADRID — If the United States suddenly unleashes a cascade of Cabinet members on a friendly Arab nation, two possibilities suggest themselves. One is that the country is extremely important. The other is that its government is in trouble.

One is that the country is extremely important. The other is that its government is in trouble. The country is Morocco, and the government is the Moroccan government. The Moroccan government is in trouble because of a series of problems, including a conflict with Algeria and a series of economic problems.

The Moroccan government is in trouble because of a series of problems, including a conflict with Algeria and a series of economic problems. The Moroccan government is in trouble because of a series of problems, including a conflict with Algeria and a series of economic problems.

The Moroccan government is in trouble because of a series of problems, including a conflict with Algeria and a series of economic problems. The Moroccan government is in trouble because of a series of problems, including a conflict with Algeria and a series of economic problems.



## Italy Communist Chiefs Keep Up Daily Condemnations of Poland

By Henry Tanner  
New York Times Service

ROME — The leaders of the Italian Communist Party have vented their anger over the military takeover in Poland in a daily series of condemnations of the action.

The Communists, it is clear from their tone, are not only furious over the repression of civil liberties in Poland but are also frus-

trated because their own position with the voters and the party's rank and file is being damaged by the policies of Warsaw and Moscow.

The party secretary, Enrico Berlinguer, said in a television address that with the events in Poland, the Russian October Revolution — "the greatest revolutionary event of our time" — had in effect become a spent force as Eastern Eu-

ropean societies had lost their ability to renew themselves.

Mr. Berlinguer denounced the Polish authorities for not knowing that "Socialism and democracy are inseparable."

Pietro Ingrao, one of the party's oldest leaders, wrote that Western Communists were now compelled to revise their view of Eastern European Communism. "We used to call them countries on the road to Socialism," he said in Rinascente, the party's ideological journal. "Today I see no connection between Socialism and the military regime that has replaced the Communist Party."

Giuseppe Vacca, a member of the Central Committee, told Italian newspapers that "the only possible solution for Poland is free elections." Other party officials made similar statements.

Luciano Lama, leader of the Communist-dominated General Confederation of Italian Workers, said: "I want to speak to the members of my party, the Communist Party... Can you call it Socialism if they outlaw 9 million workers? How can a government of the proletariat become a military dictatorship? Freedom cannot be a good thing in Italy and a bad thing in Poland."

Mr. Lama spoke at a rally here of the country's three major labor federations.

An internal debate has been going on in the party for two years on such questions as its role in a parliamentary democracy, its relations with non-Communist parties and its attitudes toward Moscow.

Stalinists Remain

In Bologna last Tuesday, however, workers in a metal factory refused to distribute official Communist leaflets condemning the takeover in Poland. In the same city a majority of workers from another plant refused to attend a protest strike called by the three major Italian labor unions, including the Communist-dominated confederation.

"I don't strike for the Madonna of Czestochowa," a worker was quoted as having told the organizers. He was alluding to the religious and nationalist elements in the Polish labor movement.

The attitude reflects the fact that in spite of the steady liberalization of the party over recent years, a large part of the rank and file, especially older workers, remains basically Stalinist.

But at the leadership level, the advocates of a more democratic concept of Communism have been gaining strength for some time, and the Polish events have further strengthened them.



Priest and two ministrants celebrating Mass for refugees at a camp in Goetzendorf, Austria.

## In Austria, Thousands of Poles Face a Cold, Cheerless Christmas

By Iain Guest  
International Herald Tribune

VIENNA — Four months after she left her home and parents in Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

There will be few personal effects at hand. A photo of the pope (who, as Cardinal Karol Wojtyla of Krakow, Poland, Yagoda Polka faces a cold and dreary Christmas in the tiny apartment she shares with another woman in a drab tenement in Vienna.)

## WORLD NEWS BRIEFS

### 2 Sought in U.S. General's Abduction

VERONA, Italy — Italian anti-terrorist police said Monday that they were hunting for two members of the Red Brigades who may have helped kidnap a U.S. Army general last Thursday.

Italian newspapers reported that police had identified two suspects — Ramo Pirelli and Antonio Savasta — as members of the group that seized Brig. Gen. James L. Dozier. The two are already wanted in connection with the murder of an Italian paramilitary police general and the kidnapping of a judge in Rome a year ago.

An anti-terrorist police officer confirmed the news reports, saying that police had used eyewitness descriptions and results of a computer check of available evidence to identify the two. Later, however, the Verona police chief, Pasquale Zappone, said that there was no "solid evidence" that the two helped kidnap the U.S. general.

### EEC Budget Signed Despite Appeal

BRUSSELS — Simone Veil, the president of the European Parliament, said Monday she has signed a \$24.2-billion European Economic Community budget for 1982, despite rejecting an appeal from the EEC Council of Ministers to delay the adoption.

EEC sources said most member states would probably refuse to make full payments to the budget as adopted. They said the ministers were angered by what they saw as the parliament's claim of jurisdiction over areas such as food aid and EEC loans, and by its addition earlier this month of \$250 million to the budget.

An EEC Commission spokesman said the body would ask member states for payments into the adopted budget beginning next month. Last year, the commission took West Germany, Belgium and France to the European Court of Justice after they refused to pay their full contributions to another contested budget. A compromise was later found.

### Turkey Blames Greece for Tensions

ANKARA — Premier Bulent Ulusu blamed Greece on Monday for refusing a negotiated solution to Turkish-Greek problems.

"The irreconcilable stance adopted by the Greek government creates unavoidable tensions and will only cause frustration for Greece," Mr. Ulusu said. The Turkish government had been silent during the recent Greek election campaign when Premier Andreas Papandreu, then a candidate, made strong statements against Turkey.

Premier Ulusu, in a speech made at the Consultative Assembly, also criticized Greece's attitude over Cyprus. He disclosed Turkish worries about the military buildup in the Greek-Cypriot sector on the island. He added that Turkey had brought this to the attention of the United Nations.

### New Dane Government Talks Called

COPENHAGEN — Queen Margrethe II of Denmark has called for new negotiations on Tuesday aimed at forming a new Danish government, parliamentary sources said Monday.

Anker Joergensen, the caretaker Social Democratic premier, had recommended that the monarch seek the advice of representatives of all the nine parties returned to parliament in elections earlier this month to decide which politician should lead the talks.

Mr. Joergensen failed last Sunday night, after 12 days of talks, to gain the support of the Socialist Peoples and the Radical Parties for a new left-of-center coalition with a slim majority of 92 in the 179-seat Folketing (parliament). The talks broke down over differences on economic policy.

## Warsaw Radio Says 3,000 On Strike at 2 Coal Mines

(Continued from Page 1)

However, Tass and Radio Moscow dropped any mention of the 1,300 Polish miners that the Soviet press had reported trapped underground near Katowice the day before.

In Washington, White House spokesman Larry Speakes, quoting intelligence reports, said resistance to martial law has increased in Poland and that workers are on strike at 20 mines in the Silesia region. "Resistance is more widespread than previously reported and is continuing," he said.

Meanwhile, the West German television network ZDF reported that film director Andrzej Wajda is among those detained in Poland. The network, quoting sources, said Mr. Wajda was detained after refusing to sign a statement declaring his support for measures against "counterrevolution." There was no confirmation from Polish sources.

In other developments: The Hungarian news agency MTI on Monday reported that Solidarity leader Lech Walesa "is currently staying in Warsaw and has held talks with members of the government on several occasions."

Quoting Polish government spokesman Jerzy Urban, MTI said that Mr. Walesa had been seen by church representatives and by his wife and children.

There was no word on where Mr. Walesa was being held. Earlier on Monday, unconfirmed reports reaching the West said that Mr. Walesa had been removed from a government guesthouse outside Warsaw to a military installation.

## U.S. Warning On Poland

(Continued from Page 1)

tending the loans would hurt or help the Polish people.

Edwin A. Meese 3d, the White House counselor, in another TV interview, said the United States had "made it very clear to the Polish government that this type of repression is unacceptable to free peoples everywhere."

"We have made a similar strong statement to the Soviets warning them against intervention, and beyond that, we're working with other nations of the world to mobilize world opinion against the repression that's being practiced by the Polish regime," he said.

## U.S. Panel to Ask Stricter Rules on Human Research

New York Times Service

NEW YORK — A presidential commission has decided to recommend that steps be taken to find out how many Americans serve as subjects of medical and behavioral research and what adverse effects result from such studies.

The recommendation is one of several that the President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavioral Research will forward to President Reagan and Congress by the year's end.

The commission will recommend that scientists who use humans as subjects of federally financed research be required to report the number of such people involved and the number of injuries or other adverse effects that occur in the studies. No such reporting is now required and there are no reliable national data on the number of research-related injuries, according to a draft report prepared by the commission staff.

The commission also decided to call for the establishment of the first government procedures for dealing with research workers who have been suspended or otherwise disciplined by an agency after conviction for misconduct.

# Not even Marco Polo could have expected a daily readership of 4.546.000\* for his reports.

## You can, by ringing London 3857723.

By doing so you will discover that Corriere della Sera has on average 2.525.000 readers a day with a high ABC profile (80%), that not only is it the most important Italian daily but also the unique European daily paper to be, at the same time, the most authoritative and the most widely read.

That La Gazzetta dello Sport is the second Italian daily, with an average daily readership of 1.961.000; mostly men (86%), young (59% are 15-34 years old) and ABC (67%).

That Corriere Medico is sent daily to 60.000 doctors, a target area of professional men that has a very high purchasing power of upmarket goods in Italy.

Lastly, by calling this number you will have at your disposal a staff of knowledgeable consultants highly experienced in the Italian market, and able to offer you a complete market information and media planning service, to help you solve your communication problems in Italy.

Other sole representatives in the world:

Paris tel. 5006608 - Hamburg tel. 5110031 - Basel tel. 226575 - Lausanne tel. 207151 - Genève tel. 291211 - Bruxelles tel. 6498130 - Wien tel. 757684 - New York tel. 5759292 - Athens tel. 6929607 - Amsterdam tel. 178795 - São Paulo tel. 8534842 - Barcelona tel. 3020508 - Toronto tel. 3642269 - Stockholm tel. 225000 - Porto tel. 29992 - Tokyo tel. 7530092 - Johannesburg tel. 8365978 - Sydney tel. 9222677.

GRUPPO RIZZOLI-CORRIERE DELLA SERA





## Deaver to Leave White House, Calls Washington Too Costly

By Martin Schram  
Washington Post Service

WASHINGTON — Michael K. Deaver, one of President Reagan's three top assistants, said he will leave the White House staff at the end of next year because he and his family cannot afford to live in Washington on his \$60,662 annual salary.

The White House deputy chief of staff, who is considered closer to the Reagan family than any other assistant, said he told the president at the outset that he intended to stay just two years and then return to private industry.

"I made a commitment to stay through the 1982 elections," Mr. Deaver said in a telephone interview Sunday. "After that, I'm going. I have no money left. We are living on our savings."

Mr. Deaver said he "probably will go back into the business world in some form of public affairs" but that he has no specific plans or commitments. He said he will not join the firm of his former business consultant partner, Peter D. Hannaford.

### Informal Relationship

Together, they had formed Deaver & Hannaford Inc., a public relations firm, after serving as top aides to Mr. Reagan while he was governor of California. At the outset of the Reagan presidency, Mr. Hannaford chose to remain in private business and bought the consulting company of Richard V. Allen, who became Mr. Reagan's national security adviser.

Officially, Mr. Deaver handles the president's scheduling and supervises the office of the military assistant to the president and the

office of Nancy Reagan, the president's wife.

Mr. Deaver's advice is sought on all matters, ranging from policy to politics to personnel. And frequently, at the day's end, he spends informal evening hours with the Reagans in their White House residence.

"Of all the people who could leave, losing Mike will leave the biggest hole," Sen. Paul Laxalt, Republican of Nevada and a close friend of both Mr. Deaver and the Reagans, was quoted as saying in Sunday's editions of the Detroit News.

Mr. Deaver said Sunday that the cost of housing and of living in the Washington area, and of keeping two children in private school, have made it impossible for him to make ends meet on his \$60,662-a-year salary.

Of all the president's top advisers, Mr. Deaver is considered to be the most protective of the Reagans. In the recent controversies involving Mr. Allen and budget director David A. Stockman, for example, he has reportedly taken the position that both should be replaced because their controversies brought unfavorable publicity to Mr. Reagan and his White House.

### Deaver Blocks Nominee

WASHINGTON (NYT) — Mr. Deaver has overruled other Reagan administration officials and blocked the nomination to the Interstate Commerce Commission of a Senate staff member who was opposed by the head of a trucking organization that had employed

Deaver & Hannaford as a consultant.

The staff member, William K. Ris Jr., counsel to the Democrats on the Senate Commerce Committee, had many influential supporters. Among them were: E. Pendleton James, the White House personnel director; Martin Anderson, the president's chief policy adviser; Murray L. Weidenbaum, chairman of the Council of Economic Advisers; and Sen. Bob Packwood, Republican of Oregon, chairman of the Senate Commerce Committee.

Mr. Ris's opponents included Thomas C. Schumacher Jr., director of the California Trucking Association, an organization of trucking companies that has opposed trucking deregulation. Mr. Ris was a principal draftsman of the deregulation law, known as the Motor Carrier Act of 1980.

Mr. Schumacher's trucking association was a client of Deaver & Hannaford. Now called the Hannaford Co. Inc., the concern continues to do public relations work for the association and is paid about \$2,000 monthly, Mr. Schumacher said.

### Political Grounds Cited

Mr. Schumacher, who said he has been a close friend of Mr. Deaver for 20 years, said in an interview that he had opposed Mr. Ris's candidacy at a meeting with Mr. Deaver and others in the White House in June. He said, however, that he objected to Mr. Ris, a Democrat, on political grounds and not because Mr. Ris favored deregulation.

Mr. Deaver said he had blocked Mr. Ris's appointment but not at Mr. Schumacher's request. He said



Michael K. Deaver

that Mr. Ris was a "Kennedy Democrat" and added, "I blocked it because he was not the kind of person who would be consistent with Ronald Reagan's philosophy. He had worked his entire professional life with the opposition. The thought of deregulation, or the trucking industry never entered my mind."

Mr. Deaver's role in the Ris matter demonstrates that, except for the very highest posts personally handled by Mr. Reagan, it is virtually impossible for a key appointment to be made over the objection of one of the three top presidential aides, even if it is supported by Cabinet members and other White House officials. Edwin Meese 3d and James A. Baker 3d are the other two leading White House aides.

The name of another candidate for the Interstate Commerce Commission post, Thomas Domenech, a transportation economist from Vermont who is described as favoring deregulation, has been submitted by the White House personnel office and approved by all three aides.

## Reagan Aides to Urge \$45 Billion in New Taxes

By Howell Raines  
New York Times Service

WASHINGTON — Several senior White House advisers and administration budget officials plan to ask President Reagan to approve a total of \$45 billion in new taxes over the next two fiscal years.

An administration official said Sunday that the proposal — which would have to overcome Mr. Reagan's resistance — was based on new economic forecasts that would be disclosed to the president by midweek in a White House budget meeting.

Unlike previous economic forecasts that caused disputes in the administration over the accuracy of the pessimistic predictions, the new forecast will have the support of the Treasury Department, the

Office of Management and Budget, the Council of Economic Advisers and the White House Office of Policy Development, the official said.

The proposed tax rises are favored by Reagan's three chief advisers, James A. Baker 3d, Michael K. Deaver and Edwin Meese 3d, he added.

### Tax Policy Discussed

However, the administration's new economic projections are only slightly more optimistic than the budget office preliminary figures, which showed deficits of \$109 billion in 1982, \$152 billion in 1983 and \$162 billion in 1984, the official added.

Those preliminary predictions set off discussions over tax policy within the White House when they were disclosed to the press earlier

this month. Mr. Reagan originally sided with the supply-side economists who believe that any tax increase will diminish the stimulative effect of the president's program to reduce income taxes by 25 percent over three years.

But last week, Mr. Reagan was warned by his senior advisers and Republican congressional leaders that he would face a rebellion on Capitol Hill unless he introduced some revenue proposals to trim the soaring deficits.

The proposal being prepared for Mr. Reagan will call for a tax increase of \$15 billion in the 1983 fiscal year and \$30 billion in the 1984 fiscal year. However, this plan would leave in place the 25 percent income tax reductions already signed into law by Mr. Reagan, and would allow them to take effect as scheduled.

The administration official said that Reagan would be asked to choose from an array of tax increases, including excise taxes on alcohol and tobacco products. Other proposals include an import fee on oil and, despite Mr. Reagan's public opposition to it, a windfall profits tax on natural gas.

He added that the closing of loopholes in existing taxes, which the administration earlier predicted could produce about \$20 billion in the 1983 and 1984 fiscal years, also was still under consideration.

The tax increases would be proposed to the president with the argument that, at a time of recession and rising deficits, Congress would demand a "balanced program," including some revenue measures, rather than another round of spending cuts alone, the official said.

### Slower Inflation Cool-Off Seen

WASHINGTON (NYT) — The Congressional Budget Office, in a preliminary, unpublished forecast, has anticipated that inflation will cool off much more slowly in the next several years than was predicted earlier this month by administration economists.

While the administration experts projected that inflation would be down to 3.5 percent by 1986, the congressional staff economists forecast a 1986 annual rate of inflation of 5.7 percent, according to congressional sources. Some private economists regard even that as too low.

In a seeming paradox, the inflation numbers from Capitol Hill were welcome news of a sort to the White House. Higher inflation means higher wages and corporate profits — and higher income taxes. More tax revenues would help to reduce future budget deficits.

But it was disconcerting news in that higher inflation drives up federal spending for civil servants' pensions, Social Security benefits, food stamps and other programs linked by law to the Consumer Price Index.

### Parishioners Vote to Demolish N.Y. Landmark

United Press International

NEW YORK — Parishioners of St. Bartholomew's Episcopal Church have narrowly approved the demolition of their landmark community house to make way for a \$300-million, high-rise office building proposed by a British real estate developer.

In ballots unsealed in state Supreme Court in Manhattan, the parishioners voted Friday by 375 to 354 in favor of the planned 59-story structure, which would be built on the site of church's community house and gardens.

The ballot settled a 14-month dispute between church officials, led by Rector Thomas Bowers, who argued that the project was necessary to ensure the church's solvency, and a committee seeking to protect the community house from demolition.

British developer Howard Ronson has promised to pay the church \$11 million — tax free — before construction on the tower begins. The church would also receive \$9.5 million a year for 40 years in rental payments.

## Congress Quietly Moves to Restrict Immigration by Foreign Doctors

By David Shribman  
New York Times Service

WASHINGTON — Virtually unnoticed amid the last minute foreign aid, farm and pension bills Congress passed last week was a measure that could change the face of health care in the urban areas of the United States.

The measure, actually a series of amendments to the Immigration and Nationality Act, adjusts the requirements and extends the deadline for hiring foreign doctors who wish to practice in the United States. It is Congress's final notice to hospitals across the country that their dependence on foreign physicians must cease.

The amendments will have several effects. Among the more important, they would require all incoming foreign physicians to pass the visa qualifying examination, a rigorous test of medical competency that about 80 percent of foreign doctors fail. In the past, failure has not ruled out employment in public or voluntary hospitals. But it will after Dec. 31, 1983, and that will restrict immigration of foreign doctors. Americans who take their medical degrees abroad are not affected by the legislation.

### Troubling Implications

The implications for hospitals in the Northeast are troubling; for New York City in particular, they are distressing. The latest figures indicate that foreign doctors account for more than three-quarters of the internists and residents in a dozen New York hospitals. They

constitute more than half the interns and residents in 23 of the city's hospitals and at least a quarter of the house officers in 34 city hospitals. Foreign physicians also make up much of the staff of New York State's mental hospitals, and they play important roles in hospitals in Connecticut, New Jersey, Illinois, Delaware, Maryland, Michigan and Ohio.

Since the 1960s, when the flood of immigrating physicians began, foreign doctors have tended to concentrate in inner-city medical facilities that have held little attraction for American physicians. Between 1963 and 1976 their number rose from 31,000 to more than 83,000. At their peak in 1972, foreign doctors constituted 46 percent of those who received licenses to practice medicine in the United States. Many have moved into fields, such as pediatrics, anesthesiology and rehabilitative medicine, less popular among their American counterparts.

Their presence in the nation's physician population has not proved an unmitigated blessing. For one thing, it has produced a medical "brain drain" in countries that can ill afford the loss. A 1977 study, for example, showed that nearly two-fifths of the foreign doctors in the United States were from India and Pakistan, which have chronic physician shortages.

On this end, members of the American medical establishment have complained of language difficulties and cultural differences that adversely affect some foreign

physicians' ability to treat American patients. There has been furious debate in the medical fraternity over the adequacy of foreign medical school training programs.

"Some of these doctors graduated from Cambridge and London and in some instances, they have fit in very well and have made major contributions," said Dr. Kenneth Moritsugu, director of the division of medicine in the Department of Health and Human Services' Bureau of Health Professions. "Some of them, however, have graduated from very, very large classes and raise the issue of quality control." Dr. Moritsugu said it was not unusual to find a foreign medical doctor practicing as a psychiatric officer in a state mental institution, "even though he is not adequately trained or sensitized to the American sociocultural system."

Since 1976, Congress has tried to reduce the size and importance of foreign physicians in urban medical facilities. It set December of last year as the cutoff for hospitals hiring new foreign physicians who had not passed the visa qualifying examination.

At the same time, Congress offered a slender carrot to medical facilities where an immediate cutoff of foreign staff would cause a "substantial disruption" in health services. Those institutions could receive waivers if they pledged to develop and implement plans to reduce their dependency on foreign doctors. To date, waivers have come primarily from the Northeast and Middle West.

## A Great Holiday Spirit



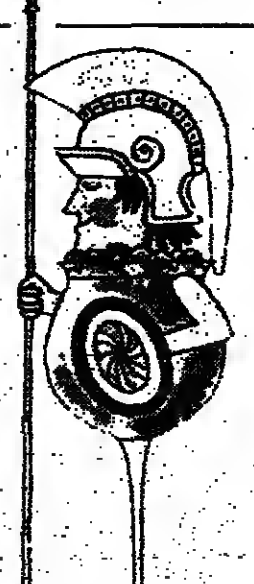
SPOT-THOMPSON

### Makes a Great Alexander.

- 1/3 Metaxa
- 1/3 Creme de Cacao
- 1/3 Heavy Cream

Shake thoroughly with cracked ice and strain into cocktail glass.

# METAXA



**SPEEDING HOME** — Alexei Semyonov was issued a warning for speeding by a policeman in Brookline, Mass., as he and Liza Alexeyeva, his wife by a proxy marriage, traveled home after being reunited in Boston. He said he feared that Miss Alexeyeva's being allowed to leave the Soviet Union after the 17-day hunger strike by his stepfather and mother, Andrei D. Sakharov and Yelena G. Bonner, could result in more government reprisals against them.

**LE GRAND CHINOIS**  
6, Av. de New York 46  
753 38 21, fermé lundi  
THE BEST CHINESE RESTAURANT IN PARIS  
ANGLO-CHINOIS / JAPANESE  
PRIX CRISTAL DE VERMOREL

هنا من الأكل



## Legitimacy in Poland

When the coup came in Poland, there was some reason to hope that Gen. Wojciech Jaruzelski was leading it in part in order to spare Poles the bloodier tragedy of direct Soviet intervention. The army's historic role as an agency of Polish and even anti-Soviet nationalism, Gen. Jaruzelski's reach for a military rather than an open Communist Party administration, his pledges not to go back to the system that Solidarity had overturned in August, 1980 — these and other considerations provided a slim basis, we thought — hoped — for reserving judgment on the general's character and purpose.

In the days since, however, Gen. Jaruzelski has shredded virtually every bit of the severely limited confidence that had been reposed in him — reposed, in the first instance, it must be added, by many Poles. He had promised not to turn guns on workers, and he has turned guns on workers. The cold and methodical violence of his coup has evoked the full-throated denunciation of the Catholic Church, which is not a radical force in Poland but which is a force crucial to the restoration of civility and peace. The workers whose interests and desires he professed to respect have veered away from him, in rage or in fear. By the stark evidence of Lech Walesa's continued silence, Gen. Jaruzelski has not been able to gain the trust of the one

person who is the demonstrated and, in a democratic sense, elected lay leader of most of the people of Poland.

The general remains, in brief, without legitimacy as a political authority. His claim to walk in the steps of Marshal Jozef Pilsudski, the still-respected Polish military ruler (1926-35) whom Gen. Jaruzelski has conspicuously invoked as his model, seems nowhere respected. He is being seen to act not as a Polish nationalist but as a Soviet stooge. The coup, so far, is Gen. Jaruzelski's shame.

If the general has any lingering desire to be accepted by his countrymen and by history as a genuinely Polish figure, then his duty is clear. He must do whatever is necessary to persuade the figures who are the unchallenged moral and political leaders of Poland — Archbishop Jozef Glemp and Mr. Walesa — to join him in re-establishing an order that enjoyed the respect of the Polish people. Poland was never, after all, a country like the Soviet Union, one without a strong tradition of individual liberty. The church helped keep glowing, through the decades of Soviet-imposed Communist rule, the embers that the Solidarity movement blew into a great popular fire. That is the reality in Poland. To suppress it is to assault the spirit as well as the body of the Polish nation.

THE WASHINGTON POST.

## A Death in Moscow

Everyone has heard of Andrei Sakharov, who put his life at risk so that a young woman could leave Russia and become wife to his stepson in America. Although banished and disgraced, he finally got his way on so small a matter — in part because everyone has heard of Andrei Sakharov.

An actress named Zoya Fyodorova was not so fortunate. Once she was a star in Soviet films and was twice a Laureate of Stalin, which allowed her to visit embassies that are off limits to ordinary Russians. During World War II she met a U.S. Navy captain. They loved, and for this he was expelled. Only years later did he learn that she had given birth to a daughter, Victoria, named after the V-E Day on which they parted.

The mother paid. Charged with treason, she was imprisoned for eight years, to be released only after Stalin's death. She was free to perform again, but an unforgiving KGB continued to harass her. She finally managed to locate Jack Tate — by then an admiral — but it took an international uproar for the

Soviet authorities to permit a simple human gesture. In 1975, Victoria was finally allowed to come to America and meet her father. Victoria Fyodorova, who now lives in Stamford, Conn., told her story two years ago in a book dedicated to "My dearest Mamochka, whose love has guided me through good times and bad, whether near to me or far away, and who is in my thoughts forever."

Earlier this month, Zoya Fyodorova was reportedly found dead in her Moscow apartment, a bullet in her skull. Her daughter was initially informed of a heart attack. But a family friend saw the death certificate citing a violent death, and Soviet "sources" tardily reported that she was killed during a robbery. Victoria and her American husband believe it was a more deliberate kind of murder.

Whom to believe? Robberies do happen, even in Moscow. But any "accident" is suspect in a society that scents treason in a wartime romance, when America and the Soviet Union were allies.

THE NEW YORK TIMES.

## Congress and Policy

The terms of the continuing resolution, passed by Congress in its pre-holiday rush, represent a large change in America's definition of federal responsibility and in the role of Congress in controlling that definition. The cuts in domestic spending made by the measure are real and big — bigger than you probably would have thought if you had been following the budget process piecemeal. Remember that roughly four-fifths of the budget is off limits because it involves defense, Social Security or another untouchable, such as the FBI. The vulnerable remainder would have been in the range of \$155 billion under the Carter budget for this year. Spending in this part of the budget has been cut by perhaps a third. One of the curiosities of this whole process is that no one is quite sure.

The president proposed his first round of budget cuts last March. During the summer, Congress gave him most of what he wanted. In September he asked for a further cut of at least 12 percent in most domestic programs. Congress balked. By Thanksgiving it had agreed on a measure that included less than a fourth of the new savings the president sought. The president vetoed the bill and shut down much of the government. Congress hastily passed a short-term spending measure and negotiations began again.

This time the White House did better. It lined up Republican leaders in both houses, hammered out a detailed agreement acceptable to the president, made a few concessions to moderate Republicans and Southern Democrats in the House, and rammed the compromise through both houses in time to get Congress home for Christmas.

The final bargaining involved about \$4 billion. However, the full reduction in domestic spending implied by the resolution is many

times that amount. The agreement reached by the Office of Management and Budget and the Republican leadership set the base level for each individual program at the lowest amount previously voted by either the House or Senate or — if the full Senate had not acted — recommended by the Senate Appropriations Committee. Against this base, which in some instances already included the 12-percent cut asked for in September, an additional reduction averaging 4 percent is to be applied by the administration. The president thus obtained an overall cut in domestic spending that not only met but substantially exceeded his March request.

The lost \$50 billion would have bought many government services — everything from public housing and help for elderly shut-ins to mine inspections and basic scientific research. Some programs, in particular those run by state and local governments, will have to be cut back even more sharply than the resolution implies in order to make up for overspending in the months before the final cuts were imposed.

It will be many months before anyone knows exactly what changes have been made in the many services the government provided or supported. Meanwhile, enormous disruption and inefficiency are taking place at all levels of government as agencies struggle to reduce their staffs, reshuffle the remaining employees and figure out what can still be done. When Congress returns from its holiday, it may, as Senate Majority Leader Howard Baker has suggested, want to reconsider some of what it has done to government services. It may also want to reconsider its recent method of participating in the making of government policy.

THE WASHINGTON POST.

## Other Opinion

### On Amnesty's Strain for Balance

Is the arrest of draft-evaders in Switzerland, West Germany, France or Italy really equitable with internment in a gulag for 10 or more years? Are mass executions in Iran truly comparable with the imposition of prison sentences on European terrorists convicted of murder? We don't suggest that Amnesty International really thinks so, but when

that organization's annual report uses similar wording when referring to the two types of incident, it inevitably gives an unfortunate impression. The authors of the report are of course straining every nerve to seem balanced in their attitude to the world's political systems, but a little more sense of discrimination seems urgently desirable.

—From the *Neue Zürcher Zeitung* (Zurich).

## Dec. 22: From Our Pages of 75 and 50 Years Ago

### 1906: On Reform in Persia

PARIS — Today's editorial in the *Herald* reads: "One uncertain factor in the Persian situation is the successor of the existing shah. By one group he is described as an out-and-out reactionary; by another, as a man of liberal tendencies, whose accession to the throne should mark a period of prosperity for Persia. Mohammed Ali has now under his consideration a comprehensive scheme of reforms with which he purposes to inaugurate his reign. There is undoubtedly scope for a reformer in Persia, as incapable rulers and the intrigues of foreign powers — that is, Russia and England — each actuated by insane jealousy and distrust of the other have reduced the country to an appalling condition of wretchedness."

### 1931: Franco-Soviet Pact

PARIS — The French Nationalist paper, the *Echo de Paris*, has published what is supposedly a first draft of a political treaty between France and Soviet Russia. By the terms of the proposed pact, France undertakes not to join with any other country to refuse the purchase or sale of Soviet goods, and also not to tolerate anti-Bolshevik organizations in France, which claim sovereignty over any portion of Russian territory. The Franco-Russian pact project has been known to be in existence for some time. It will be signed formally when similar treaties are concluded between Russia and its neighbors, including Poland. Romania is still standing out, owing to the dispute over Bessarabia.

# If Mightily Armed Russia Finally Explodes

By Flora Lewis

PARIS — Suppression of the Polish workers' attempt to force reform on a bankrupt regime has profound meanings for Communism everywhere, as Enrico Berlinguer said last week. The Italian Communist leader was evidently thinking primarily of his own country. His assessment also applies to the Soviet Union.

The historic uniqueness of the 17-month Polish search for change without violence was precisely that it came from workers and peasants, Marxism's "masses" in whose interest the rulers claim to justify their hold on power.

Despite a new spurt of Moscow propaganda concocting "U.S. instructions to stage a coup" in Poland, only willful self-deceivers can fail to realize that there was nothing "counter-revolutionary" about Solidarity's goals. On the contrary, they were a demand that at last some of Communism's shining promises be delivered to the people in whose name it was imposed.

The military response said, in effect, that this cannot be. Power is held to protect and preserve power.

It is time to think of what this implies for the longer term in the Soviet Union, and the consequences for the West. The dangers beyond the horizon will not be averted if they are not foreseen.

Leonid Brezhnev has just celebrated his 75th birthday, and while his stamina has

proved remarkable, he is not eternal. During his 17 years of rule, Soviet society has been congealed. There is no longer even talk of reform, as there was every few years under his three predecessors.

The Soviet Union will observe the 65th anniversary of the Bolshevik Revolution in 1982. Far from "overruling the West in living standards by 1980," as Nikita Khrushchev once boasted, its economy creaks and groans with pain. If ordinary Russians have little sympathy for Poland, it is not only traditional animosity but because they know ordinary Poles, though deeply aggrieved, live better than they do.

The "new generation" of Soviet leadership, men between 40 and 60, is aware of the failures. It is largely composed of technicians, and the best available reports from that opaque society speak of them as modernists but not liberals. Change, when it comes as it must, is likely to be an attempt at even more oppressive efficiency, not relaxation.

If the Polish experiment taught anything to those in the Soviet apparatus who wonder how to face the future, it was probably to reinforce fear of the slightest challenge from below. Once again, it has been demonstrated that there is no magic formula for taming the system peacefully.

Meanwhile, the Russian dissidents have been wiped out. It is clear now that their humanism represented only an intellectual eccentricity in a vast murk, and their rationalism was not the tip of an iceberg but an isolated spark.

Daniel Vernet, *Le Monde's* former Moscow correspondent, summed up the findings of his years there with a gloomy picture of a frozen society existing only by a kind of schizophrenic separation between the official ritual and reality. He aptly described Andrei Sakharov, the martyr to sanity, as a "child of the enlightenment lost in the totalitarian wilderness."

So there is no hint, no faint gleam visible of hope for gradual improvement of Soviet life, for constructive release of pent-up Russian passion and talent. The morbid, universal cruelty of the Stalin era is past. That was a relief which probably made Brezhnev's stagnant stability tolerable for so long. Authority has learned to be more selective, more cleverly arbitrary in exacting submission.

Yet these people are not mummies or robots. They are human and will not live forever in a dreary limbo without prospect of success. What must worry us is not that the Soviet Union will go on and on unchanged and insensitive to the aspira-

tions of the ruled. It is that one day this society may explode with all the raging fury of the revolution against czarist tyranny in 1917, but with far greater menace.

The Soviet Union has built great nuclear might. It is armed to an awesome level never seen before. There can be no assurance that the deepest imaginable panic, which defiance at home would inspire in its rulers, would not prompt them to strike with all the force at their command, to strike abroad as well in a desperate attempt to mobilize their people's xenophobic reflexes and so restore control.

It is in the interest of the West, and all the world, that change in the Soviet Union come without upheaval. But if Brezhnev's successors also fail to advance and ease their society, we must wonder how long their people's patience will endure. The hope that Poland would find the way, would point the direction for these regimes to emerge from their self-enclosed impasse, has been lost. That perhaps is the gravest loss of all.

There is all the more reason now to press for limiting nuclear weapons and stopping the arms race. The Soviet obsession with threats to their system may be more real than we think, but it isn't a threat from abroad. The danger, for all of us, lies within.

©1981, The New York Times.

## Experts' Options for Poland: Grim, Grimmer or Grimmest

By Philip Geyelin

WASHINGTON — When the full weight of martial law is pressing down on Poland, with communications patchy and one guess as good as another, a sampling of academic analysis helps clear the mind.

The "options" and "alternative scenarios" of the scholars are offered without warranty. They are as subject as those of the commentators and government leaders to correction in the face of necessarily unpredictable events. But they have a refreshing ring of certitude that is denied to those encumbered with official responsibility or with the pressure of daily reporting of fleeting rumor and transitory twists and turns.

The following assessment of what is in store for Poland is a composite, assembled selectively from a brain trust of Soviet and Polish experts in and outside gov-

ernment. It runs a fairly "narrow gamut: grim, grimmer, grimmest."

The best that can now be expected is, first, a prolonged period of essentially military rule by the new Military Council for National Salvation under Gen. Wojciech Jaruzelski.

Second, this means a rough roll-back of just about everything accomplished by Lech Walesa's independent union movement, Solidarity, since its beginning in a wave of strikes in the summer of 1980: national trade unionism, expanded freedom of expression, and a voice and a force in political as distinct from economic affairs.

"Solidarity has been beheaded by the arrests of all the top people," says Vladimir Petrov, professor of Soviet studies at George Washington University. "All the

troublemakers are behind bars." It is Petrov's view that Solidarity had been disintegrating all through the slow takeover of militants who were forcing Walesa's hand.

"Breaking the back of Solidarity," as one administration expert puts it, is the military regime's primary objective. But most authorities also see it as a slightly more positive light: as the prerequisite, in the thinking of the new Polish junta, to a measure of "reconciliation," carefully controlled.

This "option" is described by Prof. Dimitri Simes of the Johns Hopkins School of Advanced International Studies as "Hungary-plus." He means a modest return to "pluralism and independent political forces" and even a limited right to strike, but no voice for the unions in "grand policy." The

Communist Party (and the military) would be in control.

Petrov agrees that "once order is restored, the moderates could be brought back." Some think negotiations could even be resumed with a chastened, forcefully "reformed" Solidarity, strictly on economic matters. But all this presupposes generous Soviet economic aid, sufficient to pull Poland back from the brink of economic catastrophe — a dubious hope.

That is what makes even the best outcome grim. A cold and cruel winter lies ahead, under the best circumstances. The extent to which the military feels the need to crack down with harsh repression, and doubts that food shortages and other deprivations can be dealt with by military rule — those are the unknowns that would

spell the difference between grim and grimmer.

The grimmest outcome is obvious: a breakdown of public order, a refusal of Polish Army units to carry out orders to shoot rioters or strikers, sabotage of vital Soviet communication links through Poland to East Germany, a form of civil war, Soviet military intervention and suppression by force.

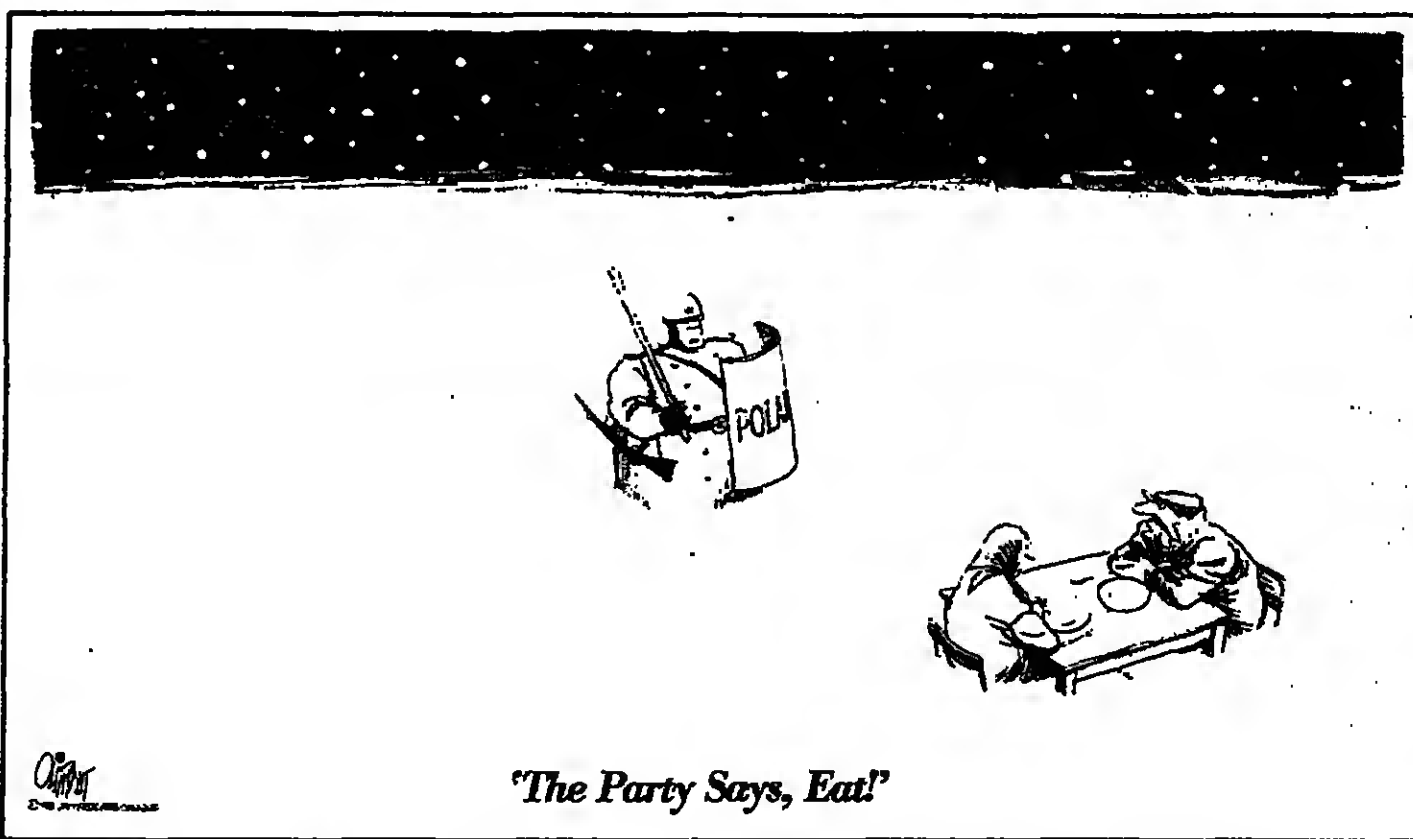
The consequences and repercussions scarcely need laboring. They would be measured in the degree of anarchy, bloodshed, starvation and repressive Soviet rule inside Poland. Outside, the effects on East-West relations, across the board, would be incalculable. But unless you see some silver lining in the trading effect that Poland's troubles might have on the Western Alliance, they would be almost uniformly adverse, for a long time.

They would be adverse, as well, for the Soviets within their own bloc and in the Third World, the more so because suppression of the Poles would not be the same thing as Czechoslovakia, 1968. "If the Soviets are drawn in," says Simes, "there will be purges and a new, conservative, pro-Soviet government." The crackdown, he believes, would be "very nasty." Polish hostility to the Communist government is "far greater" than was that of the Czechs. His second option — Soviet military intervention — he calls "Czech-plus."

None of the scholars to whom I talked doubts that the Soviets would move in force if they saw their security threatened, and never mind the stern warnings of the Reagan administration and other Western governments. Still less do they doubt that the Soviet hand is very much in everything the Jaruzelski government is doing. But they lay no claim to being able to say which way it will go. They deal in "alternative scenarios" — excluding only one.

The clock, it is generally agreed, can no longer be turned back to, let us say, a month ago. Even with the most optimistic scenario, Petrov figures, "Much will be lost. Free expression in Poland is irretrievable for as far ahead as you can see."

©1981, The Washington Post.



## Nothing Much Works For Central America

By Joseph Kraft

WASHINGTON — Central America confronts anti-Communism with a double failure. The tactic of backing tough military regimes does not work. But neither does the policy of trying to woo the left by sweet reason.

In these stony circumstances, the same response is to lower sights and move along the hard path of economic improvement and democratic choice. Which is what the Reagan administration, after much bluster and confusion, has finally agreed to do.

The administration came to power breathing fire on Central America. The president had talked of blockading Cuba. His chief policy adviser, Edwin Meese, spoke darkly of pressures on Castro. Secretary of State Alexander Haig asserted the need to stop the expansion of Soviet power in the American backyard, and identified two test cases.

El Salvador was one. Behind a legitimate government headed by Christian Democrat José Napoleón Duarte is a rightist military junta opposed by a guerrilla movement armed with Soviet weapons sent through Cuba and Nicaragua. A civil war has been raging for months, with thousands of victims, many of them wiped out by government troops.

### Stalemate

The Duarte regime found strong support in the Reagan administration. Duarte was received in Washington with honors. Military aid was sent, and technical advisers. The United States backed a Duarte plan for elections this spring. The guerrillas have refused the electoral gambit. Thus to a military stalemate has been added a political stalemate.

Nicaragua was the other test case. The corrupt military dictatorship of the Somoza family was overthrown in 1979 by the Sandinistas, a movement with an important Marxist component. The Carter administration backed the Sandinistas with aid and diplomatic support, but the Marxist group continued its drive for power. It has moved to raise a force of some

50,000 men with help from 2,000 Cuban advisers.

Blocking Marxist takeover of Nicaragua has been a prime object of the Reagan administration. Meese and Haig have cried havoc and issued warnings. Assistant Secretary of State Thomas Enders met Sandinista leaders and read them the riot act. His office prepared an "options paper" that included possible military pressure.

But the rhetoric found little support in the United States. Even the Pentagon raised objections against serious military moves. The White House quickly subordinated action in Central America to its interests in economic policy.

### Climbdown

More recently, as part of a peace initiative in Europe, Reagan has forsaken bellicose intentions in Central America. Asked at his Nov. 10 news conference about the possibility of military intervention against Castro, he said: "We have no plans for putting combat troops anywhere in the world."

Secretary Haig made the climbdown official when he told the Organization of American States that the United States would try "first to reaffirm and promote democracy," and second "to create new economic opportunity." As for military action, he said: "The United States is prepared to join others in doing whatever is prudent and necessary to prevent any country in Central America from becoming a platform of terror and war in the region."

Collective action is theoretically possible, but nobody mindful of opinion south of the border can believe that short of harsh Soviet intervention, there will be joint military action with the Yankees. So, in effect, the Reagan administration has settled down to a long, hard slog in Central America.

This probably makes sense. But it is not as though an economic program is ready, or a magic carpet for transporting democracy. Moreover, if there hadn't been so much big talk at first, there would be no need now to retreat.

©1981, Los Angeles Times Syndicate.

## The Congress Is Out, Poor Thing

By David S. Broder

WASHINGTON — This Christmas season is going to test the compassion of the American people. Communities all across the country will be receiving into their midst tens of thousands of one of the cruelest struggles in U.S. history, people whose scars and faces and staring eyes are mute testimony to the horrors they have seen since they left their friends and neighbors a year ago.

I refer to the members of the 97th Congress, returning from the legislative battles of Washington to spend the holidays with their families and loved ones.

There should be pity for Senator Spender and Congressman Conness. This Congress has been a horror show for them. Two good Democrats, and now they can't win for losing. Not one new program, not one new agency, not one rotten little pilot project they can pin on the wall and send out a press release to brag about.

They might as well not have re-elected. Before their committees got untracked last spring, the crazy House and Senate passed a budget bill ordering them to cut everything. They didn't come to Congress to cut. They came to create.

But there is this little David Stockman — a guerrilla who never sleeps, who needs a haircut, armed with nothing but a hand computer he probably captured in a raid on the Appropriations Committee. And suddenly he's whipping around Democrats as if they weren't the best-fed, best-paid Congress in the world.

And that old cinder wobbling down Main Street? That is Repre-

sentative Reliable, the man they call the conservative's conservative. Is he talking to himself? No wonder. After 16 years of serving with spineless big-spending presidents, he finally had a commander in chief in Ronald Reagan who understood and shared his conservative perspective. And what did Reagan ask of him the other day? To vote for a foreign aid bill, that's what.

Old Reliable may not be ready to talk about it. The shock is still too fresh. But that was not the only atrocity he witnessed and even participated in.

### Scared

He was there with his good buddy, Congressman Compone, a real trooper even if he calls himself a Democrat, when they both voted to raise the debt ceiling past \$1 trillion. Compone and Reliable used to get sore when Lyndon Johnson had a \$100-billion budget. And here is Ronald Reagan maybe facing a \$100-billion deficit.

If you can't feel sorry for the veterans, at least show a little compassion for the youngsters, the first-termers. Americans wanted their taxes cut. Americans wanted the budget cut. Americans wanted less government. So Congress went out and did that hard job, just like patriotic politicians have always been ready to go out and do the people's bidding.

So now there's a recession. And record deficits. There are no more public service jobs. And the old Christmas card costs 20 cents to get there two days late.

And some people are mean enough to blame it on the Congress. Congress didn't know any of that was going to happen. The congressmen went off to Washington, a lot of them brand new, right out of congressional school on the State Assembly line, and they found themselves deep in the jungle.

They could never see the enemy — the lobbyists, the liberal press, the balky bureaucrats. The only way they knew they were out there was they could hear them laughing at their parties. Every now and then one of the youngsters would wander into the jungle of Washington and never be heard of again.

These young congressmen are frightened. They know they've got to go back up Capitol Hill next year. This Christmas could be the last they'll know as congressmen. A lot of them probably have a premonition that they're not coming back after 1982.

Whatever else you do this Christmas season, show a congressman your care, and if you can, make a senator smile. They may not find the words to thank you.

©1981, The Washington Post.

Letters intended for publication should be addressed "Letters to the Editor," and must include the writer's address and signature. Priority is given to letters that are brief and do not request anonymity. Letters may be abridged. We are unable to acknowledge all letters, but value the views of readers who submit them.



## Britain Launches Home Rule Effort in Ulster

Minister Says He Sees a Fleeting Opportunity for Sectarian Compromise

By Leonard Downie Jr.

**Washington Post Service**  
LONDON — Moving quickly to take advantage of what is seen as a brief opportunity for sectarian compromise in British-ruled Northern Ireland, the government of Prime Minister Margaret Thatcher is launching another major effort to give Ulster limited home rule with some share of power for the Catholic minority.

Britain's Northern Ireland secretary, James Prior, has said that he believes that moderate Protestants and Catholics have been given a new, if possibly fleeting, incentive to narrow their political differences by the recently increased influence of extremists on both sides.

The deaths of hunger strikers in the Maze prison earlier this year increased sympathy among the Catholic Irish nationalist minority for Provisional Irish Republican Army militants while the IRA's subsequent stepping-up of terrorist violence caused an angry backlash among the Protestant British unionist majority benefiting hard from the IRA's rule.

Explaining his unannounced political initiative to American journalists here last week, Mr. Prior said that the next month or two of intensive, informal negotiations with political and community leaders in Northern Ireland will help us decide whether we will be able to make some progress.

Mr. Prior said he is not seeking complete agreement on a new home rule plan, which has proved virtually impossible to achieve in the past. The Protestants have insisted on unfettered majority rule while the Catholics have demanded a guarantee of a sizeable share of executive power they could never achieve at the polls as a perpetual one-third minority.

Instead, Mr. Prior said, he is trying to convince the two sides to narrow their differences and "agree to disagree" while acquiescing to a British government compromise.

British officials said that Mr. Prior will concentrate his attention on moderate Ulster politicians and risk further alienating Mr. Paisley, who has been openly courting confrontation with the British government since the recent wave of IRA violence and the establishment of a new governmental dialogue on Northern Ireland between Britain and Ireland.

Mr. Prior said that the Thatcher government was "determined to

stay on course" and increase political and economic consultation between Dublin and London. He also said the government had ruled out any further integration of Ulster into Britain, "because it is not another Yorkshire or Norfolk," or any return to the absolute, discriminatory majority rule the Protestants had in Northern Ireland for 50 years until 1972.

But Mr. Prior also emphasized that both Dublin and London had agreed that Ulster could never be integrated constitutionally with Ireland in any way without the consent of a majority of its population. The only available choices, he said, are another attempt at setting limited home rule political cooperation or continuing with the status quo of direct rule from London.

Several recent opinion polls show that a majority of Protestants in Northern Ireland would agree to sharing home rule power with Catholics.

Some moderate Protestant unionist politicians have indicated they are ready to give ground if the Catholic Social Democratic and Labor Party also will compromise on how much power it seeks.

"There has to be give by both the majority and the minority," one unionist member of the British Parliament said recently.

**Civil War Warning**  
He and other moderate Protestants have urged British officials to move quickly with a home rule initiative to head off what they fear is Mr. Paisley's intention to try to seize total leadership of the Protestant community and break away from Britain.

They have warned that this could lead to civil war in Northern Ireland. They said British officials have told them any such move would be answered by a massive increase in British troops there.

British officials said, however, that growing Protestant unionist fears of being abandoned by Britain could influence moderate unionists to be more compromising.

The sources said moderate Catholics and Irish nationalists may be similarly influenced by pressure from the Irish government, which maintains close contact with them and generally approves of the Prior initiative.

Members of Mrs. Thatcher's Conservative Party in Parliament said the Ulster initiative could be a big political risk for her government.

One said Mrs. Thatcher and Mr. Prior could face a nasty fight in Parliament from hard-line unionists and Conservative rightists if Mr. Prior succeeds in drawing up home rule legislation.

But other Conservatives said Mrs. Thatcher gave Mr. Prior a "blank check" to try to break the political stalemate in Northern Ire-

land when he reluctantly agreed to be moved to his present post from a key economic position in her Cabinet a few months ago. Mrs. Thatcher also has been angered by recent personal attacks on her by Mr. Paisley and some of his political allies, according to those politicians, and might relish such a fight.

As a prominent Cabinet dissenter from much of Mrs. Thatcher's economic philosophy and style of government, Mr. Prior was believed to have been humiliated by her when she moved him to the Northern Ireland post. But a Thatcher aide said recently that, despite their differences, Mrs. Thatcher had great respect for Mr. Prior's ability and determination and would back completely the course he chose to take with his Ulster initiative.

Mr. Prior said he had no illusions about succeeding where a long line of predecessors have failed in Ulster. "Because of its present unsettled state," Mr. Prior said, "continuing the status quo may be the only choice we can adopt."

**Protestants Split Talks**  
BELFAST (Reuters) — Prominent Protestant politicians boycotted Monday talks called by the British government to discuss the worsening economy in Northern Ireland.

Mr. Paisley's Democratic Unionists and James Moynihan's Official Unionists, the two biggest Protestant parties in the province, spurned the invitation for talks at Stormont Castle, headquarters of the British administration.

parties and government ministers. But although politically strained, Italian-Libyan relations are economically thriving. And some observers here believe that the government's measured reactions until recently reflect the desire not to damage commercial relations.

Libya now absorbs 6 percent of total Italian exports, which in the first six months of this year reached a record value of 2,061 billion lire (about \$9.8 billion).

**Buying Into Fiat**  
As recently as last June, imports of Libyan crude represented 13.6 percent of Italy's oil needs. And Italy is Libya's single largest trading partner. Last year, 25 percent of total imports were Italian in origin.

Although precise figures are not available, the Libyans are also believed to have invested heavily in Italy, one reason — the Libyans say — why the country would be unlikely to encourage terrorism here.

In 1976, for example, the Libyan national bank purchased a 9.1-percent share in the Fiat automobile company, a recapitalization that will reportedly come to 13.4 percent by the end of next year.

However, political relations have not kept pace with this commercial boom, the major issue being that of the scheduled visit here by the Libyan leader, which has been delayed because of what a Foreign Ministry spokesman recently described as "recurrent elements of disturbance."

It is widely believed that Col. Qadhafi's interest in making an official visit to Italy reflects his belief that it would be a stepping stone to improving his relations with other Western European countries.

**9 African Nations Sign Trade Treaty, Tanzania Decides Against Joining**

LUSAKA, Zambia — Nine African nations on Monday signed a treaty designed to ease trade in much of the eastern and southern parts of Africa. Several major countries — including Tanzania, which was not represented — did not sign the accord.

The treaty — known as the Preferential Trade Agreement — covers a broad range of measures for freer regional trade and cooperation in industry, agriculture, transport and communications. It was signed by the Comoros Islands, Djibouti, Ethiopia, Kenya, Malawi, Mauritania, Somalia, Uganda and Zambia.

Angola, Botswana, Lesotho, Swaziland and Zimbabwe had delegations present at the ceremony but did not sign. Informed sources said they believed Botswana, Lesotho and Swaziland might join Zimbabwe in signing the treaty next year.

Potential treaty adherents not attending the ceremony were Madagascar, Mozambique, the Seychelles and Tanzania. Tanzania's decision not to join came as a surprise to Western diplomats who questioned whether the trade agreement would survive without such a key country in the region.

Tanzanian President Julius K. Nyerere said he would not sign the accord because "the implications of the treaty for Tanzania's existing commitments for intra-African cooperation have not been adequately addressed."

**Legislators Back Belgian Program**  
BRUSSELS — Belgium's Chamber of Representatives gave Premier Wilfried Martens approval Monday for his new government program, and political sources said he would seek emergency powers to enact it later this week.

Deputies voted 114-89 in favor of the program, which includes tax cuts for industry to boost output, wage restraint and sharp cuts in public spending. The government majority in the 212-member parliamentary chamber was bolstered by support from small rightist parties.

**Chadian President Calls on OAU Unit To Fight or Leave**  
N'Djamena, Chad — President Goukouni Oueddei of Chad has demanded that the African peacekeeping force assembling in his country fight alongside his troops against rebel forces or pull out, the Zairean news agency has reported.

In a dispatch from Libreville, Gabon Sunday, monitored here, the agency quoted Mr. Goukouni as saying he would ask the Organization of African Unity force to withdraw if it did not change its position.

The OAU has consistently said the troops — from Nigeria, Zaïre and Senegal, with contingents due from Benin and Guinea — will not take sides and will only react if fired upon.

"The OAU wants to assign these troops the role of a buffer force. ... We do not agree with this and we can in this case demand that these troops return to their own countries," Mr. Goukouni said in Libreville, where he was attending a meeting.

Chad government troops are fighting in eastern Chad against the guerrilla forces of former Defense Minister Hissène Habré. The OAU peace force was set up after Libyan troops left Chad last month at Mr. Goukouni's request.

**Italy Trying to Stabilize Relations With Libya**  
By Sari Gilbert  
International Herald Tribune  
ROME — Recent international events threaten to cast a shadow over Italy's special relationship with its former colony, Libya, despite efforts by Italian officials to keep relations on an even keel.

The close relationship between Italy and the North African country has been strained in recent months by the aggressive behavior toward the Italians of the Libyan leader, Col. Moammar Qadhafi.

Less outspoken than the French government, which recently took public issue with U.S. charges that Libya was a destabilizing force, the Italian government is treading a more cautious path aimed at keeping a dialogue with Col. Qadhafi open while at the same time taking allied concerns into account.

Italian Foreign Ministry officials are known to believe that the isolation of Col. Qadhafi could help push him into the arms of the Soviet Union. It is also believed to explain — along with economic considerations — the general mildness of government reaction here to events involving Libya, such as the disappearance in September, 1978, of Lebanon's Shiite leader, Imam Moussa Sadr, on a trip from Tripoli to Rome, and the murders here last year of several of Col. Qadhafi's political opponents.

**Cooling Relations**  
Nevertheless, French representations following Libya's intervention in Chad last December and later U.S. preoccupations have resulted in a cooling of Italy's relations with its former colony.

A long-promised official visit here by Col. Qadhafi has been repeatedly delayed. In October, when U.S. intelligence agencies reported threats to the safety of the U.S. ambassador in Rome, Maxwell Rabb, the Italians acted quickly to expel several potential Libyan troublemakers. And perhaps most significantly, a damper has gradually been put on Italian arms sales to Libya.

Although Italian officials emphasize that France and Britain sell more arms to Libya than does Italy, large Italian firms have sold Libya significant amounts of military equipment in recent years. At present, however, old contracts are being honored but new ones are not being authorized, a Foreign Ministry spokesman said.

Bilateral relations between Italy and Libya turned sour in the fall when Col. Qadhafi denounced NATO bases in Sicily and made abrasive remarks about Italian

## New Yorkers Still Feel Civic Pride Despite Crime, Decay of Services

NEW YORK — A portrait of a New York City full of contradictions — of pride amid pervasive concern over crime, of slightly improved feelings about city life despite decaying confidence in its services — has emerged from a new survey.

It found, however, that New Yorkers' hope for their city's future has dimmed markedly. While more than three-quarters said they were proud to be New Yorkers, nearly half said they would prefer to be living somewhere else four years from now.

The survey by The New York Times, in which 1,146 residents of the city were interviewed by telephone between Dec. 7 and 14, sought opinions on a wide variety of aspects of city life and its political leaders.

Nearly half cited crime as the most important problem facing New York. Unemployment and economic problems, such as inflation and the high cost of living were next.

Black and Hispanic people tended to have a more negative view of the city's current state than did whites.

Most of those interviewed found aspects of city that would be hard to give up. The theater, opera, museums, and night life were mentioned most often. Also cited frequently were the energy of New York — its excitement, hustle and bustle and crowds; family and friends; transportation and convenience, and the wide array of stores and shops.

**Italy Trying to Stabilize Relations With Libya**  
By Sari Gilbert  
International Herald Tribune  
ROME — Recent international events threaten to cast a shadow over Italy's special relationship with its former colony, Libya, despite efforts by Italian officials to keep relations on an even keel.

The close relationship between Italy and the North African country has been strained in recent months by the aggressive behavior toward the Italians of the Libyan leader, Col. Moammar Qadhafi.

Less outspoken than the French government, which recently took public issue with U.S. charges that Libya was a destabilizing force, the Italian government is treading a more cautious path aimed at keeping a dialogue with Col. Qadhafi open while at the same time taking allied concerns into account.

Italian Foreign Ministry officials are known to believe that the isolation of Col. Qadhafi could help push him into the arms of the Soviet Union. It is also believed to explain — along with economic considerations — the general mildness of government reaction here to events involving Libya, such as the disappearance in September, 1978, of Lebanon's Shiite leader, Imam Moussa Sadr, on a trip from Tripoli to Rome, and the murders here last year of several of Col. Qadhafi's political opponents.

**Cooling Relations**  
Nevertheless, French representations following Libya's intervention in Chad last December and later U.S. preoccupations have resulted in a cooling of Italy's relations with its former colony.

A long-promised official visit here by Col. Qadhafi has been repeatedly delayed. In October, when U.S. intelligence agencies reported threats to the safety of the U.S. ambassador in Rome, Maxwell Rabb, the Italians acted quickly to expel several potential Libyan troublemakers. And perhaps most significantly, a damper has gradually been put on Italian arms sales to Libya.

Although Italian officials emphasize that France and Britain sell more arms to Libya than does Italy, large Italian firms have sold Libya significant amounts of military equipment in recent years. At present, however, old contracts are being honored but new ones are not being authorized, a Foreign Ministry spokesman said.

Bilateral relations between Italy and Libya turned sour in the fall when Col. Qadhafi denounced NATO bases in Sicily and made abrasive remarks about Italian

land when he reluctantly agreed to be moved to his present post from a key economic position in her Cabinet a few months ago. Mrs. Thatcher also has been angered by recent personal attacks on her by Mr. Paisley and some of his political allies, according to those politicians, and might relish such a fight.

As a prominent Cabinet dissenter from much of Mrs. Thatcher's economic philosophy and style of government, Mr. Prior was believed to have been humiliated by her when she moved him to the Northern Ireland post. But a Thatcher aide said recently that, despite their differences, Mrs. Thatcher had great respect for Mr. Prior's ability and determination and would back completely the course he chose to take with his Ulster initiative.

Mr. Prior said he had no illusions about succeeding where a long line of predecessors have failed in Ulster. "Because of its present unsettled state," Mr. Prior said, "continuing the status quo may be the only choice we can adopt."

**Protestants Split Talks**  
BELFAST (Reuters) — Prominent Protestant politicians boycotted Monday talks called by the British government to discuss the worsening economy in Northern Ireland.

Mr. Paisley's Democratic Unionists and James Moynihan's Official Unionists, the two biggest Protestant parties in the province, spurned the invitation for talks at Stormont Castle, headquarters of the British administration.

parties and government ministers. But although politically strained, Italian-Libyan relations are economically thriving. And some observers here believe that the government's measured reactions until recently reflect the desire not to damage commercial relations.

Libya now absorbs 6 percent of total Italian exports, which in the first six months of this year reached a record value of 2,061 billion lire (about \$9.8 billion).

**Buying Into Fiat**  
As recently as last June, imports of Libyan crude represented 13.6 percent of Italy's oil needs. And Italy is Libya's single largest trading partner. Last year, 25 percent of total imports were Italian in origin.

Although precise figures are not available, the Libyans are also believed to have invested heavily in Italy, one reason — the Libyans say — why the country would be unlikely to encourage terrorism here.

In 1976, for example, the Libyan national bank purchased a 9.1-percent share in the Fiat automobile company, a recapitalization that will reportedly come to 13.4 percent by the end of next year.

However, political relations have not kept pace with this commercial boom, the major issue being that of the scheduled visit here by the Libyan leader, which has been delayed because of what a Foreign Ministry spokesman recently described as "recurrent elements of disturbance."

It is widely believed that Col. Qadhafi's interest in making an official visit to Italy reflects his belief that it would be a stepping stone to improving his relations with other Western European countries.

**9 African Nations Sign Trade Treaty, Tanzania Decides Against Joining**  
LUSAKA, Zambia — Nine African nations on Monday signed a treaty designed to ease trade in much of the eastern and southern parts of Africa. Several major countries — including Tanzania, which was not represented — did not sign the accord.

The treaty — known as the Preferential Trade Agreement — covers a broad range of measures for freer regional trade and cooperation in industry, agriculture, transport and communications. It was signed by the Comoros Islands, Djibouti, Ethiopia, Kenya, Malawi, Mauritania, Somalia, Uganda and Zambia.

Angola, Botswana, Lesotho, Swaziland and Zimbabwe had delegations present at the ceremony but did not sign. Informed sources said they believed Botswana, Lesotho and Swaziland might join Zimbabwe in signing the treaty next year.

Potential treaty adherents not attending the ceremony were Madagascar, Mozambique, the Seychelles and Tanzania. Tanzania's decision not to join came as a surprise to Western diplomats who questioned whether the trade agreement would survive without such a key country in the region.

Tanzanian President Julius K. Nyerere said he would not sign the accord because "the implications of the treaty for Tanzania's existing commitments for intra-African cooperation have not been adequately addressed."

## U.S. Holds 2 in Theft Of Test Data for Aliens

By Wayne King  
New York Times Service  
SAN FRANCISCO — Two persons believed to be Taiwanese have been arrested here on charges of stealing test materials used to determine the admissibility of foreign students to U.S. universities.

As a result, police are investigating the possibility that a "coaching school" has been set up to help young Taiwanese gain admission to U.S. schools.

A man and a woman were arrested Oct. 17. The man, identified by the district attorney's office as Che-tang wang, 26, was apprehended as he left a test center here. The woman, Jean Chen, 29, who had also been at the test center, was apparently arrested later.

A preliminary hearing will be held Jan. 20.

Mary Churchill, associate director of the information division for the Educational Testing Service of Princeton, N.J., which prepared the standard test materials, confirmed that the company had alerted test monitors to be on the lookout for people stealing them.

**Copyright Infringement**  
She said that this was only the second time that criminal, rather than civil, charges had been brought in such a case, but that the first case had been much more limited in scope. There have been about a dozen cases involving civil litigation to stop copyright infringement and unauthorized reproduction of test materials, she said.

Assistant District Attorney Christine Kasun, who is in charge of the case, refused to provide any details beyond the names of those arrested.

She confirmed, however, that the two had been charged with grand theft, a felony, in "stealing testing materials." She declined to

give an address for either of the accused, saying that information was "a critical part of our investigation."

While police refused to discuss a motive for stealing the materials, beyond the desire of foreigners to study in the United States, the possibility was raised that gaining a student visa, which would allow someone to remain in the United States for a prolonged period of time, may be involved.

**Clear Motivation**  
A source close to the investigation said, "I think the motivation is very clear that they are running coaching schools in Taiwan. That's pretty firm. They feel that they don't have the schooling there to get into a U.S. school and this coaching school is kind of their salvation."

The assistant district attorney would not say whether any other jurisdictions were involved, but spokesmen for the Federal Bureau of Investigation and the Immigration Service said that those agencies were not working on it.

One of the prosecutors, or test supervisors present when Mr. Wang was arrested, and who asked not to be identified, said that the test being given was the test of English as a foreign language, a standard examination used by schools in the United States to evaluate the language proficiency of foreign applicants.

When the testing service believes that a test has been compromised, it is withdrawn and a new one designed.

The supervisor said that he and others had been cautioned in a memorandum issued by the testing company before Oct. 17 to be on the lookout for persons taking tests who removed parts of test booklets. "They mentioned Asians specifically," he said.

**WALLY FINDLAY GALLERIES**  
exhibition of recent paintings  
**SIMBARI**

Special showing: Elisée MACLET  
2, AV. MATIGNON 75008 PARIS - Tél. 225.70.74

**WALLY FINDLAY GEORGE V**  
Hôtel George V, 31, avenue George V, Paris 8<sup>e</sup>  
**GANTNER**  
recent paintings

Daily 10 a.m. - 9 p.m. - Sunday 7-9 p.m.

## El Salvador's Christmas: A Time for Forgetting

By Dial Torgerson

**Los Angeles Times Service**  
SAN SALVADOR — The holiday season has come to San Salvador — a time of Christmas carols and bombs.

With tinsel, ribbon and bright packages, the people here are trying to forget the kidnappings, the dead bodies, the civil war in the hills that takes its daily toll, and the bomb blasts that remind San Salvador that it cannot escape its small, and place in history.

People who have money are spending it. In the Metrocenter shopping mall on the prosperous north side of El Salvador's capital, the shops are packed with holiday throngs. Escalators carry shoppers from one level of air-conditioned shops to another. Sweltering in the 80-degree Fahrenheit (27-degree Celsius) heat outside, a toy store, a Santa Claus is besieged by children of the well-to-do.

**Little Shops Busy**  
In the jammed, narrow streets of central San Salvador, the crowds have less money to spend. But the little shops there are busy, too, selling merchandise that costs less but also comes brightly wrapped. Like the rich, the poor of El Salvador have much to forget this Christmas.

Since late 1979, a war between leftist guerrillas and the civilian junta has escalated, a bloodletting in which tens of thousands have died or disappeared.

At El Playón, a mooncape-like lava bed west of San Salvador, the remains of perhaps 30 bodies lie scattered among the black rocks, prey to vultures and wild dogs. The victims of vigilante justice, they will never be identified. Medical students have carried away some of the skeletons to use as study aids.

In San Salvador, Christmas looks like the holiday in a U.S. city: Christmas trees, Santa Claus, all the trimmings. The Christmas carols are American, the dance rhythms Latin. It is a festive holiday, not particularly religious.

At the U.S. Embassy, a fortress of concrete-block walls and sandbags, employees wrapped Christmas presents for the children of the Zaragoza Catholic Orphanage, where boys and girls left homeless by the war are cared for; many orphans still roam the streets.

The toys will be taken to the orphanage by members of the embassy's Marine Corps guard.

From the guerrillas come other

presents. From hideouts on the volcano that lies behind San Salvador's best residential neighborhood, the guerrillas slip out to bomb the towers that carry the capital's power lines. They also blow up telephone relay stations.

**Christmas Eve Mass Canceled**  
SAN SALVADOR (UPI) — El Salvador's Roman Catholic Church has canceled Christmas Eve Masses, citing the political violence in the country.

presentations following Libya's intervention in Chad last December and later U.S. preoccupations have resulted in a cooling of Italy's relations with its former colony.

A long-promised official visit here by Col. Qadhafi has been repeatedly delayed. In October, when U.S. intelligence agencies reported threats to the safety of the U.S. ambassador in Rome, Maxwell Rabb, the Italians acted quickly to expel several potential Libyan troublemakers. And perhaps most significantly, a damper has gradually been put on Italian arms sales to Libya.

Although Italian officials emphasize that France and Britain sell more arms to Libya than does Italy, large Italian firms have sold Libya significant amounts of military equipment in recent years. At present, however, old contracts are being honored but new ones are not being authorized, a Foreign Ministry spokesman said.

Bilateral relations between Italy and Libya turned sour in the fall when Col. Qadhafi denounced NATO bases in Sicily and made abrasive remarks about Italian

land when he reluctantly agreed to be moved to his present post from a key economic position in her Cabinet a few months ago. Mrs. Thatcher also has been angered by recent personal attacks on her by Mr. Paisley and some of his political allies, according to those politicians, and might relish such a fight.

As a prominent Cabinet dissenter from much of Mrs. Thatcher's economic philosophy and style of government, Mr. Prior was believed to have been humiliated by her when she moved him to the Northern Ireland post. But a Thatcher aide said recently that, despite their differences, Mrs. Thatcher had great respect for Mr. Prior's ability and determination and would back completely the course he chose to take with his Ulster initiative.

Mr. Prior said he had no illusions about succeeding where a long line of predecessors have failed in Ulster. "Because of its present unsettled state," Mr. Prior said, "continuing the status quo may be the only choice we can adopt."

**Protestants Split Talks**  
BELFAST (Reuters) — Prominent Protestant politicians boycotted Monday talks called by the British government to discuss the worsening economy in Northern Ireland.

Mr. Paisley's Democratic Unionists and James Moynihan's Official Unionists, the two biggest Protestant parties in the province, spurned the invitation for talks at Stormont Castle, headquarters of the British administration.

parties and government ministers. But although politically strained, Italian-Libyan relations are economically thriving. And some observers here believe that the government's measured reactions until recently reflect the desire not to damage commercial relations.

Libya now absorbs 6 percent of total Italian exports, which in the first six months of this year reached a record value of 2,061 billion lire (about \$9.8 billion).

**Buying Into Fiat**  
As recently as last June, imports of Libyan crude represented 13.6 percent of Italy's oil needs. And Italy is Libya's single largest trading partner. Last year, 25 percent of total imports were Italian in origin.

Although precise figures are not available, the Libyans are also believed to have invested heavily in Italy, one reason — the Libyans say — why the country would be unlikely to encourage terrorism here.

In 1976, for example, the Libyan national bank purchased a 9.1-percent share in the Fiat automobile company, a recapitalization that will reportedly come to 13.4 percent by the end of next year.

However, political relations have not kept pace with this commercial boom, the major issue being that of the scheduled visit here by the Libyan leader, which has been delayed because of what a Foreign Ministry spokesman recently described as "recurrent elements of disturbance."

It is widely believed that Col. Qadhafi's interest in making an official visit to Italy reflects his belief that it would be a stepping stone to improving his relations with other Western European countries.

**9 African Nations Sign Trade Treaty, Tanzania Decides Against Joining**  
LUSAKA, Zambia — Nine African nations on Monday signed a treaty designed to ease trade in much of the eastern and southern parts of Africa. Several major countries — including Tanzania, which was not represented — did not sign the accord.

The treaty — known as the Preferential Trade Agreement — covers a broad range of measures for freer regional trade and cooperation in industry, agriculture, transport and communications. It was signed by the Comoros Islands, Djibouti, Ethiopia, Kenya, Malawi, Mauritania, Somalia, Uganda and Zambia.

Angola, Botswana, Lesotho, Swaziland and Zimbabwe had delegations present at the ceremony but did not sign. Informed sources said they believed Botswana, Lesotho and Swaziland might join Zimbabwe in signing the treaty next year.

Potential treaty adherents not attending the ceremony were Madagascar, Mozambique, the Seychelles and Tanzania. Tanzania's decision not to join came as a surprise to Western diplomats who questioned whether the trade agreement would survive without such a key country in the region.

Tanzanian President Julius K. Nyerere said he would not sign the accord because "the implications of the treaty for Tanzania's existing commitments for intra-African cooperation have not been adequately addressed."

Assistant District Attorney Christine Kasun, who is in charge of the case, refused to provide any details beyond the names of those arrested.

She confirmed, however, that the two had been charged with grand theft, a felony, in "stealing testing materials." She declined to

give an address for either of the accused, saying that information was "a critical part of our investigation."

While police refused to discuss a motive for stealing the materials, beyond the desire of foreigners to study in the United States, the possibility was raised that gaining a student visa, which would allow someone to remain in the United States for a prolonged period of time, may be involved.

**Clear Motivation**  
A source close to the investigation said, "I think the motivation is very clear that they are running coaching schools in Taiwan. That's pretty firm. They feel that they don't have the schooling there to get into a U.S. school and this coaching school is kind of their salvation."

The assistant district attorney would not say whether any other jurisdictions were involved, but spokesmen for the Federal Bureau of Investigation and the Immigration Service said that those agencies were not working on it.



## China Encouraging Some Religious Tolerance

By Christopher S. Wren  
New York Times Service  
PEKING — During the harsh years of China's Cultural Revolution, a family of Chinese Protestants in Shanghai set out for the old international church every Christmas Eve. It made no difference that the church had been shut and turned into a warehouse. For an hour, despite the winter cold, the family mounted their silent vigil outside the church, before wending their way home through the dark streets of Shanghai.

This week, the same family will celebrate Christmas inside their

church, with thousands of other Chinese who sustained their faith through that terrible decade.

### China Says Russia Remains the Major Threat to Peace

PEKING — China said Monday that the Soviet Union remained the major threat to world peace but that both Moscow and Washington were using arms control negotiations as means to win supremacy.

The Chinese news agency said in a year-end commentary that two new trends had emerged this year — a hard-line approach to Moscow by the United States and a "peace offensive" by the Soviet Union.

But it was clear the major threat to world peace came from Moscow, the agency said. It said Russia had accelerated its nuclear missile program, staged maneuvers near Poland "for the purposes of armed intervention" and increased its military aid to Cuba to a record level.

It said Moscow had gone to the negotiating table in Geneva because it had run into difficulties at home and stood in isolation abroad. It had a bad harvest this year and support for Afghanistan, Vietnam and Cuba remained a heavy burden, the agency said.

The United States was negotiating arms limitation because it had to accede to demands by its European allies "in exchange for their consent to deploy new nuclear missiles in Europe," the agency added.

tion, reports that more than 80 Catholic churches are also operating. Last week, two bishops were consecrated by the Chinese Catholic Church, and two more were scheduled to be consecrated later.

Whether the freedom is indeed complete is open to interpretation. A new religious tolerance extends to Moslems and Buddhists too — but it is all very much on the sufferance of Deng Xiaoping's regime. That regime enjoins Moslems and Buddhists to avoid arousing nationalist sentiments, particularly in sensitive minority regions like Xinjiang and Tibet, and encourages Christians to distance themselves from their foreign missionary origins.

Last month, four elderly Chinese Catholic priests, three of them Jesuits, were arrested in Shanghai, along with some other Catholics.

In explaining the incident, Zhang Zhiyi, an official of the party committee responsible for maintaining links with nonparty groups, told a gathering of Chinese religious leaders that "counterrevolutionaries hidden in religious circles" had engaged in "criminal activities" on behalf of the Vatican to undermine the independent Chinese Catholic Church.

Chinese Catholic Church officials said Sunday that the four priests had been arrested on charges of loyalty to the Vatican and of causing riots by spreading rumors about an appearance of the Virgin Mary, the Associated Press reported from Peking.

[The Rev. Shen Baozi, who serves as secretary-general to the bishop of Shanghai, said the four "have relentlessly followed the guidelines set by the Vatican and engaged in activities that were aimed at splitting our church."

[Western sources familiar with Chinese Catholic affairs said about 20 people, including the four priests, were arrested on Nov. 19. [The four arrested priests, all Jesuits, were identified as Vincent Zhu Hongshen, 65, Joseph Chen Yongtang, 73, Stanislaus Shen Bailun, 73, and Chen Zhaichun, no age given.

[Father Shen said the four and their followers had printed pamphlets and circulated rumors that led to large disturbances in March by crowds expecting an appearance by the Virgin Mary at the church of St. Maria in Sheshan, nine miles southwest of Shanghai.]

Mutual Accommodation  
Religious life in China is at the moment a matter of mutual accommodation. The government has rewarded those "patriotic" religious organizations that do not challenge the authority of the state. The Protestant seminary in Nanjing, once ransacked by Red Guards, reopened last March, and there has been talk of starting a Catholic theological college in Peking. In Ningxia, funds have been allocated to set up a Moslem food-stuffs industry complying with

Islamic dietary laws for the region's one million Moslems. And some young Buddhist monks are again studying at Peking's Fayuan temple, which was a storehouse in the Cultural Revolution.

In return for such concessions, churches seem eager to prove their patriotism by backing the government's policies. At a tea party in Peking a week ago, Protestant, Catholic, Buddhist, Moslem and Taoist notables pledged to work together in the campaigns to modernize the country and to achieve reunification with Taiwan.

### Gaining Respect

Many Chinese Christians, like Mr. Chen, contend that Christianity in China is stronger for having severed its Western ties, which historically were associated with foreign domination. The Protestant movement, the "Three Self Patriotic Movement," pledging to make their church self-administering, self-sustaining and self-propagating. "Now we have identified ourselves with the Chinese people, so Christianity has gained respect," Mr. Chen said.

The Catholics have had more difficulty rendering unto Peking what some believe should be reserved for the Vatican. The strains became visible last summer when the Chinese government vetoed Pope John Paul II's appointment of Mr. Deng Yiming, a Jesuit imprisoned for 22 years, as new archbishop of Guangdong province. This blow to Vatican hopes for reconciliation was followed by the consecration in Peking of several Chinese bishops without Rome's consent.

The Protestants worry about having their delicate coexistence with the state jeopardized by interference from well-meaning sympathizers overseas. A Western evangelical group last summer claimed to have landed a million Chinese-language Bibles on a beach near Shantou. Protestant officials confirm the smuggling took place but say the tide washed most Bibles out to sea while the militia seized the rest.

### Rightists Kidnap 25, Slay 6 in Guatemala

GUATEMALA CITY — One hundred heavily armed men, members of a rightist "death squad" raided La Capellanía, a village located 100 miles (160 kilometers) northwest of here, kidnapped 25 peasants and later killed six of them, police said.

A police report on Sunday identified the gunmen as members of a secret anti-Communist army, one of three rightist squads that hunt down leftists in an underground war against four leftist guerrilla groups seeking power. About 300 persons a month have been killed in the violence during the past two years in Guatemala.



Captured Soviet soldiers who were interviewed by journalists at an Afghan guerrilla base at Allah Jirga. From left, Valeri Didenko, Yuri Povarnitsyn and Mohammed Yazkulyev Kuli.

## 3 Russians Expecting Death in Afghan Camp

The writer of the following dispatch was one of several journalists who interviewed three Soviet prisoners in Afghanistan after an Afghan insurgent group arranged for them to travel clandestinely to a guerrilla-held base. He transmitted the dispatch from Pakistan.

By Barry Schlachter  
The Associated Press

ALLAH JIRGA, Afghanistan — Two teen-age Soviet soldiers held prisoner for months by an Afghan resistance party say they expect certain execution once their Moslem fundamentalist captors no longer find them useful for propaganda purposes.

"We are kept alive to be shown to journalists," Sgt. Yuri Grigorovich Povarnitsyn, 19, told a group of Western, Chinese and Iranian reporters at a fortified resistance base, an overrun Afghan Army post located about 12 miles (20 kilometers) from the Pakistan border in Afghanistan's Zabul province.

The sergeant was asked what would happen to him after his captors, the Hezb-i Islami (Islamic Party) led by Gulbuddin Hekmatyar, found him useless for propaganda. The lanky Soviet soldier replied quickly through an interpreter: "Of course, they will slit our throats." Another prisoner, Pvt. Valeri Anatolevich Didenko, 18, said he agreed.

Base commander Zafaruddin Khan, 26, said the Russians would remain prisoners as long as they can serve as symbols of the Soviet military presence in Afghanistan. "Afterward, they would be tried under Islamic law and most probably executed unless they convert to Islam."

Sgt. Povarnitsyn and Pvt. Didenko say they have no intention of becoming Moslems. But a third prisoner, Mohammed Yazkulyev Kuli, 19, who was born of Moslem parents in Turkmenistan, Soviet Central Asia, might be spared because he is studying the Koran, the Islamic holy book, said Mr. Khan.

Gulbuddin faction officials say a prisoner swap is out of the question. "If we exchange our prisoners for jailed Afghans, the Soviets and their puppets will just arrest more and execute them," said Mangal Hussain, a Gulbuddin spokesman. However, no formal decision has been taken, he said.

### Pakistan Says Camp Attacked

ISLAMABAD, Pakistan (AP) — Six Afghan helicopter gunships strafed and rocketed a refugee camp Friday inside Pakistan's border, killing a child and destroying two houses in the fourth such attack since November, the government says.

## Veterans Urge Hanoi To Seek U.S. Help in Search for Dead GIs

By Bernard Weinraub  
New York Times Service

HANOI — After meeting with Hanoi officials, four U.S. veterans of the Vietnam War expressed hope that the emotional issue of the 2,500 U.S. servicemen still missing in Southeast Asia could be resolved in the near future.

Robert O. Muller, executive director of the Vietnam Veterans of America, the leader of the visiting group, urged the Vietnamese to invite the United States to send personnel to assist in the search for the missing Americans. Such a step, he said, would "substantially improve" relations with the United States and ease the "logistical burdens" for the Vietnamese.

Most of the 2,500 servicemen missing in Vietnam, Laos and Cambodia are believed dead.

Vo Hoang, director of the Vietnamese office in charge of finding missing Americans, said that the "logistical problems were enormous" in sending helicopters and search parties to jungles to hunt for the remains. Mr. Hoang told Mr. Muller that there was "considerable hostility" in villages to search parties looking for Americans.

"The village people ask why are we doing this for the Americans," Mr. Hoang said. "Why don't we dwell on the past? Why don't we build the future?"

Nonetheless, Mr. Muller, a 36-year-old former Marine, said that the Vietnamese "drew with interest" his group's proposal to send Americans to Vietnam to join the search.

"This type of move would remove a very clear obstacle to the development of relations between Hanoi and the United States," Mr. Muller said. "We told them that, and they knew it."

### Wreath for Ho Chi Minh

The Vietnamese, in a meeting Sunday with the four Americans who are here unofficially, also promised to allow more Vietnam War veterans to visit the country.

"I get the distinct sense that the Vietnamese want to have good relations with the United States government," Mr. Muller said.

Other members of the group who are visiting Vietnam for six days are Michael Harbert, a former Air Force sergeant; Tom Bird, an infantryman during the war with the 1st Air Cavalry Division, and John Terzano, a former Navy seaman. All are members of the Vietnam Veterans of America.

Sunday morning the group reluctantly agreed to a Vietnamese

request to lay a wreath at the tomb of Ho Chi Minh, but only after asking the Vietnamese to use photographs.

The veterans expressed a range of emotions as they gazed at Vietnamese pedaling bicycles in the streets.

"It's so quiet, and the primitive level of everything here is stunning," Mr. Muller said. "When you see this place it's almost obscene to think what we dumped on these people. There's nothing here."

Mr. Bird, who is director of the Veterans Ensemble Theater in New York, said "a couple of years ago I would have been given a medal for shooting some of the people I'm meeting with."

"It blows my mind," he went on. "What a crazy world this is."

## Swiss Government Says the Country Should Join UN

BERN — The Swiss Cabinet proposed Monday that Switzerland, where the United Nations has its European headquarters, should officially join the world body.

Backing from parliament for the move is likely to be a formality, but approval from the nation might be another matter.

Decisions on laws and international treaties must be put to a referendum under Swiss law. Officials said a vote could take place before the end of 1983. An opinion poll in October found that 37 percent of those interviewed were against joining and only 33 percent were in favor.

Switzerland is already a member of the major UN subsidiary bodies and host to some, such as the World Health Organization and the International Labor Organization, which are based in Geneva.

Several centrist and rightist politicians said Monday that they had set up a committee to oppose Swiss membership to the United Nations. They said the committee would inform citizens about what they called "the dangers of such a move for the future of our country, particularly our neutrality."

### Iran Executes 18 Kurds

LONDON — Eighteen Kurds have been executed by firing squad in Iran for attacking security forces, Tehran newspapers reported Monday.

### LOTTO INTERNATIONAL

invites you to participate in the top lottery in Europe with a first prize equivalent to over

£ 1,000,000

per week and other fabulous prizes totalling over

£ 6,000,000

per week. The draws are weekly and payment is made two days after each draw. The tickets both weekly and monthly cost from £2.20 to £4.50 each and payment can be made in any convertible currency. We offer a unique personal service and complete discretion at all times. Free details of how to participate in English or French will be posted to you on request. Our address is

B.P. 69,  
01220 Divonne-les-Bains,  
FRANCE.

### ADVERTISEMENT

### International Restaurant Guide

#### FRANCE

##### PARIS - RIGHT BANK

L'EUROPEEN Facing Gare de Lyon, 343.99.70. Daily from 11 a.m. to 2 a.m. Oysters, sauteed trout, TRADITIONAL CUISINE.

LE PETIT RICHEL 1880 Belvoir. Daily except Sun. Lunch, dinner from 7 p.m. to 0.15 a.m. About Fr. 120. 25 Fr. Le Petit. 770.68.68. Oyster table.

##### PARIS - LEFT BANK

##### ASSIETTE AU BEURRE

11 Rue St-Benoit/Pl. St-Germain-des-Prés. 260.87.41. Menu of Fr. 35.50 & Fr. 48 & over. Daily all midnight.

#### GREECE

##### ATHENS/PSYCHICO

DIOSCURI 16, D. Vasilou, Neo Psychiko (4 km. north of Hilton). Greek food, charcoal grills, fish, Taverna. Daily 8-10 p.m.-2 a.m. Closed Sun. Tel. 6713997.

The International Herald Tribune invites you to

## MEET THE NEW FRENCH ADMINISTRATION

February 8 and 9, 1982 in Paris

The election of François Mitterrand and the subsequent Socialist victory in the French parliamentary elections clearly mark an important turning point for the French economy.

With the cooperation of the new Socialist government, the International Herald Tribune has organized a conference designed to help senior executives of foreign companies judge how the new administration's policies will affect their company's activities and investment in France.

Prime Minister Pierre Mauroy will open this meeting on "New French Economic Policies," to be held February 8 and 9 at the Intercontinental Hotel in Paris.

The program will include presentations by Jacques Delors, Finance Minister; Michel Jobert, Minister of Foreign Trade; Michel Rocard, Minister of Planning and Regional Development; Nicole Questiaux, Minister of Social Policy; Pierre Dreyfus, Minister of Industry; André Chadenet, Minister delegated to the Minister of Foreign Affairs, in charge of European Affairs; and Laurent Fabius, Minister delegated to the Finance Minister, in charge of the Budget, as well as Jacques Attali, Special Counsellor to the President; Bernard Attali, President of D.A.T.A.R., the French government's regional development agency; Christian Goux, Chairman of the Economic and Finance Committee of the National Assembly, and other senior government officials.

Additional insights on various aspects of doing business in France will be provided by André Bergeron, Secretary General of the "Force Ouvrière" trade union, by a panel of French and foreign bankers and by a panel of industrialists. The latter will include: Rodolph Boniface, Chairman of Ford France; Jean Candois, Chairman of Rhône-Poulenc; Jean-Luc Lagardère, Chairman of Matra; Bernard Lathière, President of Airbus Industries, and Yves Ragougeau, President of Sony France.

Each presentation will be followed by a question and answer period, and simultaneous French-English translation will be provided at all times.

To register for this exceptional international conference, please complete and return the registration form below today.

### CONFERENCE REGISTRATION FORM

Return to: International Herald Tribune Conference Office,  
181 Avenue Charles-de-Gaulle,  
92521 Neuilly Cedex, France.  
Or telephone: 747.12.65. Telex: 612832.

Please enroll the following participant for the conference to be held February 8 and 9, 1982 in Paris.

Surname \_\_\_\_\_  
First Name \_\_\_\_\_  
Position \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
City/Country \_\_\_\_\_  
Telephone \_\_\_\_\_ Telex \_\_\_\_\_

Participation fee: F.F. 5,500 per person (plus 17.6% VAT for registrations from France) or equivalent.

Conference documentation will include a copy of the 1982 edition of the French Company Handbook, the only English language guide to French companies.

☐ Please invoice ☐ Check enclosed  
Fees are payable in advance of the conference.  
Fees will be returned in full for any cancellation that is postmarked on or before January 22. After that date a cancellation fee of F.F. 1,000 will be incurred. Cancellations received by the organizers less than 5 days before the conference will be charged the full fee.

### HOTEL REGISTRATION FORM

Return to: The Intercontinental Hotel  
International Herald Tribune Conference  
3 Rue de Castiglione  
75040 Paris Cedex 01.  
Telephone: 260.37.80. Telex: 220114.

A block of rooms has been reserved for participants at preferential rates on a first-come, first-served basis. Reservations must be received by January 25 on this coupon.

☐ Single (F.F. 670 per night, tax and service included)  
☐ Double (F.F. 810 per night, tax and service included)

Surname \_\_\_\_\_  
First Name \_\_\_\_\_  
Position \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
City/Country \_\_\_\_\_  
Telephone \_\_\_\_\_ Telex \_\_\_\_\_

Date of arrival: \_\_\_\_\_  
Approximate hour: \_\_\_\_\_  
Date of departure: \_\_\_\_\_

Enclosed please find a check for F.F. \_\_\_\_\_ or the equivalent for the first night's stay.

## How corporate wealth is distributed in France and Europe in 1981

Le Nouvel Economiste's "5000" lists 5000 corporations in order of importance

Where are those companies that were leaders a year or two ago? Are they going up, down, merged or have they simply disappeared? With France's oldest and most complete business reference book, the answers to such questions are found almost instantly. Over 40,000 documented facts help readers keep up with the positions of their clients, competitors, prospects and suppliers.

"5000" ranks the 5000 largest French companies (with names of executive officers of the top 500.) Included in addition is a listing of the 1000 leading corporations of the common market, as well as the 100 leading American corporations and the top 100 Japanese industrial groups. Plus a rating of France's most important insurance companies and the top 100 banks worldwide.

Nobody is better placed than the Nouvel Economiste — "the business weekly of France" — to publish such valuable information. Throughout the year, it continuously reports the evolution of economic trends and covers every phase of corporation activity.

If you are a subscriber to Le Nouvel Economiste you will receive your copy of "5000" in a few days. If you are not a subscriber but would like a copy, please mail 50 French Francs in check or mail order to:

Le Nouvel Economiste "Edition 5000"  
17, rue d'Uzès, 75063 Paris Cedex 02.

"5000" classifies 5000 companies in 6 different ways

- by net sales
- by stockholder's equity
- by employees
- by VAT
- by net income

LE NOUVEL  
ECONOMISTE

The French weekly business magazine



## Top Pop, Jazz Records

By Michael Zwerin

International Herald Tribune

PARIS — Following is a selection of the best of recent jazz and pop records, all suitable for Christmas gifts.

Egberto Gismonti's "Sanfona" (ECM) is a trip through Brazilian rhythms, musical forms and popular festivals, by way of jazz, led by a talented singer, composer and multi-instrumentalist. The journey begins with Maracatu, a feast dedicated to the gods of joy and drunkenness in the state of Pernambuco. Accompanied by percussion, the Maracatu procession winds through the streets behind a woman carrying a stick with a doll in fancy dress hanging from it. Three musicians using voice, Indian organ, 10-string guitar, piano, flute, saxophones and percussion then take us to meet Frevo, Samba, Eternas, De Repentes and Toadas. The voyage ends with a melancholy song of exile Gismonti wrote during a sentimental dusk in Spain. "Sanfona" brings the Brazilian/jazz fusion begun by Stan Getz to new heights.

"Ella Fitzgerald sings Antonio Carlos Jobim" (Pablo): Yves Montand, "Olympia 81" (Philips); Frank Sioatra, "She Shot Me Down" (Reprise): Three survivors who by the laws of nature and show business ought to be over the hill. Their voices are perhaps a bit cracked at the edges, but maturity has more than compensated. There are no better popular singers than this trio, who are better than ever.

Surrounded by Joe Pass, Zoot Sims, Clark Terry, Toots Thielemans and some incomparable Brazilians, Ella has over sounded more Fitzgeraldesque. Songwriter Jobim ranks with Cole Porter; it is a revelation to hear "One Note Samba," "Girl From Ipanema" and the rest with English lyrics. (She also sings a few numbers in Portuguese.)

Montand interprets his classy repertoire (arranged by Hubert Roasting) former Hot Club de France, clarinetist) of Jacques Prévert, Léo Ferré, Aragon and Baudelaire with a panache that projects audience enthusiasm, klieg lights and all the boulevards of Paris through your speakers.

As the director said to the composer when the heroine dies at the end of the movie: "More fiddles, Max." Sinatra's "She Shot Me Down" is a bunch of sentimental slop about lost women elevated to high art. Songs like "The Gal That Got Away," "Thanks for the Memory" and "Bang Bang (My Baby Shot Me Down)" are arranged by Gordon Jenkins, Don Costa and Nelson Riddle in the grand tragic style for the magnificent musical instrument that is Frank Sinatra.

Sonny Rollins, "The Alternative Rollins" (RCA): While John Coltrane was trying to catch up to Ornette Coleman in the early 1960s, Rollins "retired" and was reported by passers-by to be practicing his tenor saxophone on the Brooklyn Bridge. When he came back he made a record called "The Bridge," followed by "Now's the Time" and "The Standard Sonny Rollins" in 1964 and 1965. This album consists of previously unissued tracks cut for the last two. Although 17 years old, the music can be filed under "modern jazz." Only recently have people like Archie Shepp and Arthur Blythe caught up with Rollins by combining abstract and traditional elements to forge a style out of a melange of styles.

Billy Joel, "Songs In the Attic" (Atlantic): It is easy to underestimate Joel's seemingly facile middle-class rage. This songwriter-pianist is situated just on the outskirts of the cliché, stylistically between Leon Russell, Elton John and Randy Newman. Raw guts haul him out of the wise-guy imitator category almost despite himself. Here he dusts off some of his older material, which has aged well, and recorded it live last year with powerful rock backing.

Ron Carter, "Super Strings" (Milestone): Art Pepper, "Winter Moon" (Galaxy): The attempt to get string sections to swing has been one of jazz's most dismal failures. But, powered by Jack DeJohnette's drumming and Carter's inventive arrangements and bass work, "Super Strings" lives up to its name.

Alto saxophonist Pepper plays such melodies as "Here's That Rainy Day" and "Blues In the Night" (on clarinet) out unlike the way Sinatra might sing them. Improvising, he alternates sweet intervals with outside flurries and just enough silence in a personal style that renders such definitions as bebop, cool and free meaningless. Bill Holman's string arrangements swing just fine.

Aretha Franklin's "The Legendary Queen of Soul" (CBS) documents her unhappy years with CBS, before she moved to Atlantic to record "Respect," "Dr. Feelgood" and her other classics. John Hammond, the producer who discovered Billie Holiday, Bob Dylan and Bruce Springsteen, among others, signed the 18-year-old Franklin, calling her "an untamed genius... the best voice I've heard since Billie Holiday." But CBS packaged her to sound like Nat King Cole, Nancy Wilson, Dionne Warwick, Dinah Washington — everybody but herself. Here is the best of that period, including "Mockingbird," "Walk On By" and "Running Out of Fools." This naked look at Franklin's evolution proves how hard it is to kill genius.



Frederic Brenner's pictures of Hassidic Jews earned him the Niepce prize and an exhibit.

## A Cameraman Welcome in Mea Shearim

By C.G. Copic

International Herald Tribune

PARIS — His pictures show bearded men, with long hair under black hats, clad in black overcoats, walking about a sunny, stone-built Mediterranean city. They are Hassidic Jews in the Mea Shearim quarter of Jerusalem, and the pictures by Frederic Brenner, a 22-year-old Parisian anthropology student, earned the Prix de Niepce.

"When I was 18 years old my parents sent me to Jerusalem to arouse and polish up my Judaism, and nothing did anything to me until I saw the bearded men dressed in black at the Western Wall. I was struck by their dedication, the serenity that flowed from them, so I followed. I heard they were stone-throwing fanatics, but I still managed to take some pictures of them," Brenner said here.

"Live by the Book"

On a second trip to Jerusalem, he took the pictures with him and showed them to orthodox Mea Shearim Jews. "They saw that I did not picture them as fanatics, but as people who live by the rules, by the book, where their culture and their existence was one. Reluctantly they let me photo-

graph them, invited me to their homes and even let me photograph their women."

The pictures from the second trip earned him the prize and an exhibition of his work at the National Institute for Photography at Chalon-sur-Saône.

Meanwhile, Brenner has turned his anthropology studies to a concentration on orthodox Jewish communities in different parts of the world.

The work is not always easy. He recently returned from Djerba, Tunisia, site of a major Jewish community and a historic synagogue, where after a week's stay he was "followed by police, called to the station and accused of being a spy. They said I had no rights to photograph Jews only, that I should do other things too. They let me off with a verbal understanding that I could continue to take pictures, but two days later they called me in again and said I did not have written permission for it. I left Tunisia earlier than planned, fearing that they might take away my films."

The exhibition is at the Musée Nicéphore Niepce, Quai Messageries, Chalon-sur-Saône, until Jan. 3.

## The Glue of 50-Year Marriages

By Glenn Collins

New York Times Service

NEW YORK — The discussion was about researchers' efforts to study mature marriages and two of the test subjects were speaking. "When you've been married to someone for 50 years, you have to ask yourself some questions," said Viola Berton, 73, to her husband, Jim, 81, who was seated at her side. "Why should I stay together with a man just because of the years I've invested? Shall I take a risk and move away? Do I love him enough to put up with his foibles?"

"Are they that bad?" asked Berton, with a Cheshire-cat grin.

"Well, I made my answer," continued Mrs. Berton with determination. "Every day is not perfect. The bluebird of happiness is a myth. But being married to Jim has meant a continual growing for me — spiritually, physically, sexually, you name it."

The Bertons have been married for 50 years and five months, and they represent a phenomenon that is receiving increasing attention from social-science investigators: the long-term marriage.

"As our longevity increases, and as our society becomes proportionately older, we will have an increasing number of couples who are married 50 years or more," said James A. Peterson, a University of Southern California sociologist who has studied the elderly for several decades.

"Golden Sunset"

According to the Census Bureau, the number of Americans aged 65 and older grew 27 percent from 1970 to 1980, more than twice the percentage increase in the total population. The bureau projects that the percentage of Americans in this age group will increase dramatically after 2000, as those in the baby-boom generation reach their retirement years.

"Although we're just beginning to study the qualities of long-term marriages, we do know a number of things," said Marcia E. Lasswell, professor of psychology at California State Polytechnic University in Pomona.

The half dozen studies of 50-year marriages over the last decade have tended to identify "golden sunset couples," said Lasswell, who has begun a pilot study of 30 couples married 50 years or more.

"Golden sunset" couples even seem to look alike — the cliché of the happy couple walking hand in hand into the sunset," she said. These couples tell interviewers that they would certainly be together if they had it to do all over again.

However, Lasswell said, "It's hard to imagine many of them saying that they wouldn't do it over again. After all those years together, they may need to think it's



Viola Berton, 73 and her husband, Jim, 81.

worthwhile." Supporting this view is a recent study by Judith Todd, a professor of psychology at California State University at Dominguez Hills who, with a co-researcher in Israel, found that long-term couples may find themselves in another kind of relationship: the "survivor marriage."

"Survivor" couples report that they are not happy, and that they feel trapped in the marriage," said Lasswell. "They say that they never had a chance to get out."

For 12 years Peterson studied families in the largest U.S. retirement community, Leisure World in Laguna Hills, Calif. He found that there were many stable marriages with little overt conflict. "Who gives in to whom had been resolved a long time ago," he said.

"There was very little excitement in these marriages," he did find creative marriages, "but unfortunately not very many of them."

In Between

Another study, by a sociologist at Virginia Polytechnic Institute, George Rowe, found that those in 50-year marriages frequently identified the most intimate people in their lives as their children.

"I think we'll be finding that there are a small number of authentic 'golden sunset marriages,' a larger number of 'survivor marriages,' and a vast number of marriages that fall in between," said Lasswell. However, she said, the 50-year marriages examined by researchers 25 or 30 years from now may be unlike those of today.

"I think we'll see a very different model, where there will be many less 'survivor marriages,'" she said. "Since the 1960s, those in younger marriages have had the option of divorce — and for women, the option of work — that those married in the 1930s did not have. I believe we'll be seeing

many 50-year marriages that are second marriages."

Many problems in 50-year marriages arise from physical conditions; such as difficulties with sight and hearing, said Peterson. Other problems come from the sorrow of the accumulated losses of friends, relatives and mobility.

Although Jim and Viola Berton may fit the pattern of true "golden sunset" couples, their marriage is not typical of the majority of partners who have been together for 50 years. "They've lived together a long time, but very positively," said Peterson. "There is a special inner quality about them."

Those in more successful older marriages maintain the capacity to grow and change. Lasswell said. "Both partners are flexible, and can transcend traditional roles."

Viola Berton, a teacher, and school principal for 42 years, and Jim Berton, a clothing manufacturer for 60 years, live in the Glasswell Park section of Los Angeles. "Mrs. Berton was so busy with her career and her students," said her husband, "that she didn't get home till 7 o'clock, and I could never depend on her to do any cooking. But I secretly admired her for what she was doing."

"He supported me all along," Mrs. Berton said. "And now we continually try to do new things that vary our life, that bring excitement to it. Just the simple idea of going out to breakfast can be different."

"I told you she didn't like to cook," teased Berton.

Then he said, "Living with Mrs. Berton has been better and better every year."

This includes, both Bertons said, their sexual life. "Many people still seem shocked to learn that older people are interested in sex, but they are," said Mrs. Berton. "If he sees a gleam in my eyes, it's not from my bifocals."

## 'Dreamgirls': Making History on Broadway

By Frank Rich

New York Times Service

NEW YORK — When Broadway history is being made, you can feel it. While such moments are uncommonly rare these days, I'm here to report that one popped up at the Imperial Theater on Sunday night. Broadway history was made at the end of the first act of Michael Bennett's beautiful and heartbreaking new musical, "Dreamgirls."

"Dreamgirls" is the story of a black singing group that rises from the ghetto to national fame and fortune during the 1960s. Like the Supremes, to which they bear more than a passing resemblance, the Dreamgirls have their share of obstacles to overcome. At the end of Act I, the heroines are beginning to make it in Las Vegas, but there's

some nasty business to be dealt with backstage. The act's hard-driving manager, Curtis (Ben Harney), has come into the Dreamgirls' dressing room to inform Effie, who is both his lover and the group's best singer, that she is through.

Show-Biz Ghetto

Effie is through because the Dreamgirls are at last escaping the show-biz ghetto of rhythm and blues to cross over into the lucrative land of white pop. To take the final leap, the Dreamgirls must change their image — to a new, more glamorous look and a "lighter" sound. Effie no longer fits: she's fat, and her singing is anything but light. And, not only does Curtis have a svelte new Dream in costume ready to replace Effie on stage, he has chosen another

Dream to replace Effie in his bed. Jennifer Holliday, who plays Effie, begs Curtis to let her stay, in the song "And I Am Telling You I'm Not Going." In Holliday's ample body is a voice that, like Effie herself, won't take no for an answer. As Holliday physically tries to restrain her lover from leaving, her heart pours out in a dark and gutsy blues; then, without pause, her voice rises into a strangled cry.

Curtis departs, and Holliday keeps riding wave after wave of painful music — clutching her stomach, keeling over, insisting that the scoundrel who has dumped her is "the best man I'll ever know." It's a good thing that Act I ends soon thereafter. If the curtain didn't fall, the audience would probably cheer Holliday until dawn.

# YOU'RE AS FAR FROM HOME AS THE NEAREST PHONE!

IT'S SO EASY TO PHONE FROM FRANCE,  
DIAL 19 + COUNTRY CODE + AREA CODE  
+ LOCAL NUMBER. NO OPERATOR!  
IT'S DIRECT TO 99 COUNTRIES  
AND IT'S NOT EXPENSIVE.

PTT  
Telecommunications

Think Phone!

## What's in Newsweek's review of '81?



Who's threatening World peace?  
Who's behind the Middle East crisis?  
Who was who at that Wedding?

Newsweek's Review of 1981 takes all the major happenings of an eventful year and presents them in an authoritative but compact form.

On-the-spot reporters from around the world give you the inside information.

In Newsweek's special issue, we tell you what really happened because we were there.

You miss nothing in Newsweek.



Tables include the nationwide prices up to the closing on Wall Street.

[illegible][illegible]

Beware of the first impression.  
The received opinion.  
The conventional view.  
They can be misleading. If not downright dangerous.  
And never more so than in today's rapidly  
changing world.

We all need our wits about us. And the wits of others  
to help our judgment.

That is why The Economist is so avidly read by  
decision makers in over 160 countries worldwide.

Economist readers recognise the value of a journal  
which reports the news (and the undercurrents behind  
the news) without fear or favour.

A journal with a thoroughly international overview,  
which covers the key trends and events in the world - often  
long before they are touched upon by other publications.

They know, to ignore The Economist is to set even  
the most careful planning at risk.

Because, for in depth coverage of politics, current  
affairs, business and increasingly science and technology-

The Economist is quite simply second to none.  
If that makes The Economist sound worthy but  
dull, nothing could be further from the truth.

First and foremost, The Economist is a truly  
entertaining read.

Every week, it reports what's really happening in  
the world with insight, wit and a refreshing sense of humour.

Take The Economist today.  
It could help you see more clearly.

# The Economist

**Look at it another way.**



## BUSINESS NEWS BRIEFS

### Libya to Cut Some Oil Prices for Agip

ROME — Libya is cutting crude oil prices by between 50 cents and \$1.20 a barrel, oil industry sources here said Monday. They said Libya informed the Italian state oil company, Agip, by telex that the new prices are for 1982 first-quarter contracts. The sources said Libya's highest-priced crudes have been cut from \$37.50 to \$37 a barrel. The price of "Aman" crude was cut \$1.20 to \$35.60 a barrel, they said.

### Fuji Photo Film Sees Continuing Expansion

TOKYO — Fuji Photo Film, announcing a 130 percent increase in profit for the fiscal year ended Oct. 20, said Monday it expects a 10.7 percent net profit increase to about 40 billion yen (\$182 million) in the next fiscal year. Sales are expected to increase 11.9 percent to about 500 billion yen, and the company expects to maintain an unchanged 7.50 yen dividend. The company attributed this year's profit gain to stable prices for raw materials such as silver, increased export sales at higher profit margins and rapidly expanding demand for magnetic tapes, including videotapes.

### American Satellite Applies for New System

WASHINGTON — American Satellite Co. said Monday it has filed an application with the Federal Communications Commission for authorization to build, launch and operate a \$225-million domestic satellite system. American Satellite is a joint venture of Fairchild Industries and Continental Telephone. The system would be used by business and government customers, it said.

### Veba Approves 18.4 Billion DM Program

DUSSELDORF — Veba Monday approved a group investment program of 18.4 billion Deutsche marks for the period 1982-86, of which 10.6 billion DM will be invested in electricity production. About 4.1 billion DM will be invested in the petroleum sector, 1.9 billion DM in chemical operations and 1.8 billion DM in other sectors, it said. Veba said the primary aim of investment in electricity production is to secure energy supplies, with emphasis being placed on expansion of nuclear and coal-fired power stations.

### Firms Buying 35% of Hongkong Telephone

HONG KONG — Hongkong Land Co. and JF Special Holdings announced Monday they intend to buy up to 35 percent of the stock of Hongkong Telephone Co. for as much as 32 Hong Kong dollars (\$5.65) a share. The total value of the purchase, which the companies said would be made through the stock exchange, could amount to as much as 1.1 billion dollars. Jardine Fleming & Co., acting as agents for the two buyers, said more than 20 million shares, or 21 percent, had been bought by the close of the market Monday.

F.L. Walker, general manager of Hongkong Telephone, said the announcement came as a surprise to the company. He said Hongkong Land Co. and JF Special Holdings indicated an interest in the microchip and telecommunications aspect of Hongkong Telephone's operations.

### Rio Tinto-Zinc Has 17.98% of Ward Stock

LONDON — Rio Tinto-Zinc said Monday it has acquired or received acceptances for 10.5 million Thomas W. Ward shares, or 17.98 percent of the company. It said it extended its offer for Ward until Jan. 8. The offer had been due to expire Dec. 18. RTZ has offered £1.90 in cash or convertible loan stock for each 25-pence ordinary share of Ward.

### Dresdner to Sell Stake in Construction Firm

FRANKFURT — Dresdner Bank said Monday it is selling its 50 percent stake in the construction company Bilfinger und Berger to the holding company FGI Konstruktion Gesellschaft für Industrie- und Bauwesen. The holding company is half owned by Dresdner and half by Afro-American Investment Holding Co. of the Cayman Islands, it said. Bilfinger und Berger is the third-largest construction company in West Germany.

### AEG, Peugeot Unit in Electric Tools Venture

FRANKFURT — AEG-Telefunken said Monday it and Aegiers et Outillage Peugeot, a subsidiary of Peugeot, signed an agreement on a joint electric tools venture. The agreement sets up a holding company with 68 million Deutsche marks basic capital in which the two partners will each hold 50 percent. The holding company will take 100 percent interests in AEG-Elektrische, Peugeot Outillage Electrique and Lurem. The interests of the new holding company will have world turnover of about 450 million DM, AEG said, giving no other financial details.

## W. German Money Stock Grows 3 3/4%

### Increase Falls Below Bundesbank Target

FRANKFURT — West Germany is witnessing a slowdown in money supply growth, an improvement in its current account and a gross national product that, while possibly down 1/2 percent from 1980, will not be as bad as had been predicted, according to the monthly report of the Deutsche Bundesbank released Monday. The Bundesbank said growth of the money stock in the final quarter of 1981 is expected to be about 3 3/4 percent over the average fourth quarter level last year, and thus slightly below the year's 4-to-7 percent target range.

The bank said three factors have contributed to the weak growth of the central bank money stock: stagnation of cash in circulation, the repatriation of banknotes and the sharp growth of short-dated bank debt excluded from the measure. Commenting on its decision to set an unchanged growth range for 1982, the Bundesbank said it sees no grounds to believe the monetary risks and uncertainties in 1982 will be substantially less than in previous years.

Improved Account It said if the improvement in the internal and external economy continues and this trend is backed by moderate wage settlements, it will be possible to raise money stock growth and aim for the middle or upper region of the target range. The report also said the West German current account is showing an unmistakable improvement.

The October surplus of 3 billion Deutsche marks, the first monthly surplus for 24 years, was partly the result of an unusually large transit trade surplus and a bunching of interest payments to the Bundesbank from abroad, it said. Seasonally adjusted, the average monthly deficit fell to about 1 million DM in the September-October period from a deficit of more than 2 million DM a month between March and August and of more than 3 million DM a month in January-February, the Bundesbank said.

The competitiveness of West German exporters has evidently improved so considerably that they have been able to win back market shares which they lost earlier, the Bundesbank said. The Bundesbank also reported that West Germany's gross national product, adjusted both for seasonal and calendar influences, was unchanged in the third quarter from the second quarter. Although GNP for the full year will not rise over the 1980 level, a decline of about 1/2 percent would still be better than forecasts made early this year, it said.

GNP, calculated on this method, was slightly lower in the second quarter compared with the first, which itself was 0.5 percent higher than the final three months of 1980. The competitiveness of West German exporters has evidently improved so considerably that they have been able to win back market shares which they lost earlier, the Bundesbank said. The Bundesbank also reported that West Germany's gross national product, adjusted both for seasonal and calendar influences, was unchanged in the third quarter from the second quarter. Although GNP for the full year will not rise over the 1980 level, a decline of about 1/2 percent would still be better than forecasts made early this year, it said.

## Cassette War: Retailers Vs. Filmmakers

By Andrew Pollack

New York Times Service

NEW YORK — A bitter tug-of-war that could shape the future of the video cassette industry is taking place over how the revenues from the booming business of renting prerecorded cassettes should be divided.

Movie producers — who contend that they are not receiving a fair share of those revenues — may have been caught flat-footed by the sudden success of the rental business, but now are stepping up efforts to rectify that.

They have met with stiff resistance from the several thousand video retailers who sell and rent the tapes. "I've never seen an industry that's in such contention between manufacturer and retailer," said George Atkinson, president of Video Station, a Los Angeles-based video retail chain. "No self-respecting retailer wants to condone any producers putting their hands, literally, in our cash register."

In addition to settling the split of revenues, the dispute is already determining when, and how, movies and other programs are made available on tapes for consumers.

Consumers in some cities who want to see Warner Home Video movies such as "Superman II" can no longer buy tapes but

## Movie Studio Video Cassette Rental Programs

Plans described are for rentals of prerecorded video cassettes to dealers, not to retail customers.

RENTAL PLAN FOR DEALERS

One new title released each month; may only be rented for a four-month period. Dealers may then purchase titles for resale or rental. Dealers cannot sell tapes while they are in the rental phase.

RENTAL CHARGE TO DEALER (per tape)

Paramount: Surcharge on all tape sales based on estimated number of rentals per title. The most popular titles carry the highest surcharge. Dealers can rent or sell without restrictions.

20th Century-Fox: Separate sales and rental titles. Rental titles are leased for a six-month period. Subsequently, titles are released for sale or withdrawn from the market. Dealers cannot sell tapes while they are in the rental phase.

Warner: Separate sales and rental programs with separate inventories required for each title. Dealers may only sell "sales" tapes and rent "rental" tapes.

Weekly fees range from \$4.40 a tape (all or more weeks) to \$8.25 a tape (one week).

Source: Home Video Report

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

NEW YORK TIMES

## Stock Prices Decline In New York Trading

From Agency Dispatches

NEW YORK — Prices on the New York Stock Exchange, which late last week showed signs of rallying, closed slightly lower Monday in sluggish holiday-season trading that indicated a selling continued to be a factor. The Dow Jones industrial average, whose 5.23-point gain Friday trimmed last week's loss to 10.75 points overall, closed off 2.66 points at 873.10.

Declines led advances by a 9-to-5 margin among the 1,950 issues traded. The NYSE volume was 41.29 million, down sharply from the 50.94 million traded Friday. Analysis said the large number of issues being trading demonstrated many crosscurrents were at work making it difficult to determine a definitive market trend. Although analysts said they expect the market to follow its usual pattern of a year-end rally, Larry Wachtel of the Bache Group said the market has no motivation to rise other than such traditional December factors as bargain hunting and shifts by institutions in their portfolios.

Mr. Wachtel also said the market seems to be in a standoff, with half of Wall Street convinced the U.S. economy will sink further into recession and the other half believing the economy will start to pick up in April or May.

A number of investors apparently were disturbed by the Federal Reserve's report late Friday of an \$800-million increase in the U.S. money supply following a \$4 billion surge the week before.

Those increases, which put pressure on the Federal Reserve to maintain tight credit, added to Wall Street's fears that interest rates have halted their four-month pattern of declining from near record highs.

This view was, however, far from unanimous. Several money market analysts said Monday that the decline in interest rates is likely to resume next month and that it is possible it will be accompanied by a reduction in the Federal Reserve's discount rate from the current 12 percent.

Selling of stocks for tax purposes, heavy the past couple of weeks, is expected to be a factor right up to the last day of the year because tax rates will be lower next year under Reagan administration legislation.

Judging by the way investors have sold when companies reported lower earnings or issues gloomy forecasts, traders are not happy with what the recession has done to the economy.

In corporate news, Hawkeye Bancorp said Monday it is making a \$5.9-million tender offer with a French insurance firm for Hawkeye National Life Insurance. Hawkeye's partner in the offer is Gan Vie, a subsidiary of Gan, a Paris-based stock life insurance company with assets totaling the equivalent of \$2.2 billion.

PFJ Industries said Monday it has agreed to buy Boussols, the French flat glass-making subsidiary of BSN-Gervais Danone for \$43 million.

Boussols had sales of more than 1 billion French francs (\$173 million) in 1980. It operates six plants employing 3,000 persons.

Boussols has incurred losses totalling \$37.6 million since 1975. In 1980 it posted a loss of \$9 million.

In London, the U.S. dollar ended mixed after a day of quiet trading Monday. Dealers said that the declines were insignificant and mainly represented commercial adjustments.

The dollar was down at 2.28 Deutsche marks, compared with 2.2880 Friday. It was unchanged against the Swiss franc at 1.8265, but declined to 5.75 French francs from 5.7825 Friday.

## Key Textile Issues Resolved in Geneva Talks

By Michael J. Strauss

AP Wire Service

GENEVA — Several key negotiators in the talks to renew the Multi-Fiber Arrangement said Monday that a tentative agreement on principal issues had been reached among the main importing and exporting participants.

The negotiators, as well as officials of the General Agreement on Tariffs and Trade, indicated there was widespread hope that a final agreement could be reached Tuesday on all aspects of a treaty to extend the MFA in a more restrictive form.

They said it was still possible that last-minute hitches could develop, but they indicated that they did not think the remaining unresolved issues were serious enough to prevent an accord.

The MFA, which expires the last day of this year, establishes standards for bilateral restraints between textile exporters and importers. The pact would govern billions of dollars of international trade annually.

A GATT spokesman said Monday's talks yielded agreement on the wording of one of three unresolved paragraphs in a draft document to extend the treaty. The paragraph contains what is known as the "Nordic clause," which calls for the special conditions of the Scandinavian countries and Canada to be taken into account when bilateral agreements are made. The Nordic countries generally have small markets, require large amounts of imports, and have relatively low levels of domestic textile production.

2 Unresolved Points Of the two remaining points on which some differences remain, one involves a European Community demand that importers be allowed to impose stronger restraints, possibly including cutbacks in quota levels, on textile imports from dominant supplier countries.

The other concerns the question of "outward processing," or the reimportation of textile goods that were earlier exported to another nation to be made into finished products. The exporters have been fighting an EEC demand that importers be allowed to reserve portions of some import quotas of products from major supplier countries for outwardly processed goods.

Although the question of outward processing was left for further discussion, the chief negotiator for the exporters' group, Colombian Ambassador Felipe Jaramillo, conceded that it will not take much effort to reach an acceptable decision on it.

A disagreement between the European Economic Community and Hong Kong over stricter restraints on exports from major suppliers has been tentatively settled, the sources added.

Meanwhile, chief EEC negotiator Horst Krenzler returned to Geneva to lead his delegation through the remainder of the talks. He had been in Brussels earlier Monday for consultations with the EEC Commission.

category "A" banks — all banks except those dealing in consumer credit — will be allowed to rise gradually to 101.5 next June (based on banks' outstanding credits as of Dec. 31, 1981, equaling 100), and lending by category "B" banks, which deal in consumer credit, can rise to 103.5. This higher rate would indicate an effort to encourage consumer spending.

The new norms also permit banks to increase their export credits and special investment

category "A" banks — all banks except those dealing in consumer credit — will be allowed to rise gradually to 101.5 next June (based on banks' outstanding credits as of Dec. 31, 1981, equaling 100), and lending by category "B" banks, which deal in consumer credit, can rise to 103.5. This higher rate would indicate an effort to encourage consumer spending.

The new norms also permit banks to increase their export credits and special investment

category "A" banks — all banks except those dealing in consumer credit — will be allowed to rise gradually to 101.5 next June (based on banks' outstanding credits as of Dec. 31, 1981, equaling 100), and lending by category "B" banks, which deal in consumer credit, can rise to 103.5. This higher rate would indicate an effort to encourage consumer spending.

The new norms also permit banks to increase their export credits and special investment

category "A" banks — all banks except those dealing in consumer credit — will be allowed to rise gradually to 101.5 next June (based on banks' outstanding credits as of Dec. 31, 1981, equaling 100), and lending by category "B" banks, which deal in consumer credit, can rise to 103.5. This higher rate would indicate an effort to encourage consumer spending.

The new norms also permit banks to increase their export credits and special investment

## Japan Brings Southeast Asia Into New 'Prosperity Sphere'

By Keyes Beech

Los Angeles Times Service

SINGAPORE — "National creates better living" is one of the more effective commercials seen on Singapore television. Plugging the wares of the Japanese electronic giant, it shows a Singapore Chinese family making coffee on a National coffee maker, keeping its perishables in a National refrigerator, keeping cool with a National air conditioner while watching TV on a National set.

"I don't know how many times I watched that commercial before I realized one day that it fit my family to a T," a Singapore businessman said. "We even have a National toaster."

As do millions of other Southeast Asians, people in Singapore tell the time by Japanese watches, ride to work in Japanese cars or Japanese buses, take Japanese elevators to their high-rise offices in buildings often built by Japanese construction companies, snap pictures with Japanese cameras and dance to music from Japanese stereos.

Here as elsewhere in the five nations that make up the Association of Southeast Asian Nations, the Japanese have succeeded by peaceful means in forging the economic empire they sought to impose by force of arms 40 years ago under the banner of the "Greater East Asia Co-Prosperity Sphere."

There is nothing new about this, of course. During the 1960s and '70s, when the United States was trying to save Southeast Asia from Communism, the Japanese were penetrating Southeast Asian markets.

## Five Nations of ASEAN Adjust to Rising Sun Of Japanese Post-War Industrial Expansion

Except for oil and natural gas, where U.S. supremacy is unchallenged, Japan is either the dominant foreign economic force in Southeast Asia or is closing the gap. Japanese investment in the five ASEAN countries — Indonesia, Malaysia, the Philippines, Thailand and Singapore — currently totals \$7 billion, a close second to the U.S. total of \$8.8 billion, the bulk of which is in the energy sector.

According to the semi-official Japan External Trade Organization, Japan is the top investor in Thailand and Indonesia, accounting for 33.5 percent and 36.9 percent respectively. Japan is also deeply entrenched in Singapore and Malaysia.

Only in the Philippines, a former U.S. colony, does the United States cling to a slim lead over Japan.

Probably 9 out of 10 cars on the streets of Southeast Asian cities are Japanese. "I would like to buy a Ford Mustang," a Manila businessman said not long ago, "if I could only find one. But I settled for a Toyota."

In Bangkok, a Japanese Embassy official conceded that Japan had a virtual monopoly on the sale of cars.

"Two or three years ago we had only 85 percent of the market," he said. "Then Ford pulled out and now we have about 95 percent."

Mr. Sawaki estimated that about half of the nearly 1,000 Japanese companies registered in Singapore are here for the convenience of doing business with other countries, including Middle Eastern countries.

Turning to Japan's economic rivalry with the United States in Southeast Asia, Mr. Sawaki said: "There was a time when Japan was almost wholly dependent on the

American market. That is no longer true, although of course the American market is still vital to us."

As friction over trade mounts between the United States and Japan, Southeast Asian countries seem to have come to terms with Japan's economic pre-eminence. The anti-Japanese riots that erupted in Bangkok and Jakarta in the 1970s appear to be a thing of the past.

Undercurrent of Distrust There is still an undercurrent of distrust and skepticism in much of Southeast Asia toward Japan, notably in Indonesia and the Philippines. Some of it is a legacy from Japanese military occupation during World War II. Some of it stems from a feeling of vulnerability and an awareness that Southeast Asia needs Japan more than Japan needs Southeast Asia.

Indonesians, for example, are aware that Japan has diversified its sources of oil enough that, if necessary, it could get along without Indonesian oil.

In addition, there is the fear that some day Japan might choose to translate its economic power into political power. Whether Japanese and Southeast Asian scholars meet, the words "dependency" and "dominance" sprinkle the conversation.

One Japanese complained: "They (Southeast Asians) never cease questioning our motives. Why can't they see that all we want is to make a profit? What's wrong with that?"

During Christmas and New Year period

**HARRY WINSTON**

of New York will be presenting his latest creations in

Badrutt's Palace - St Moritz and Palace Hotel - Gstaad

NEW YORK GENEVE PARIS MONTE-CARLO

## Swiss Set 3% Goal On Money Supply

By Keyes Beech

Los Angeles Times Service

ZURICH — The Swiss National Bank announced a target of a 3-percent growth rate in the nation's money supply next year, indicating a continued tight monetary policy after this year's 4-percent goal.

The bank said the 1982 target meant it would continue to fight inflation. Swiss figures show a 7-percent annual rise in consumer prices last month.

The bank said the money supply, based on currency in circulation and sight deposits of banks with the national bank, remained nearly constant this year since the rise in inflation, high foreign interest rates and the weakness of the Swiss franc had required a more restrictive monetary policy than anticipated.



## Suzuki Says Trade Surplus Bill to Go to Diet

**TOKYO** — Premier Zenko Suzuki said Monday that his government will submit its planned bill to open up Japan's market to imports and help stave off protectionism overseas during the current session of the Diet.

He told a meeting of parliamentary members of the ruling Liberal Democratic Party that the legislative measure is aimed at accelerating tariff reductions that had been set for fiscal 1983 and 1984, implementing them instead in the year starting next April.

The government also formally adopted its official outlook for the Japanese economy next year.

Endorsing figures submitted earlier by the Economic Planning Agency, the Cabinet decided to aim for an inflation-adjusted growth rate of 5.2 percent in the year beginning next April. The target compares to private forecasts of 3.1- to 4.5-percent growth.

The Cabinet also lowered the growth goal for the current fiscal year to 4.1 percent from the 4.7-percent figure given in October, to reflect the slow pace of recovery.

The Economic Planning Agency told the Cabinet that exports in the

1982 financial year would rise only 5.8 percent after climbing 17.2 percent during the current year.

But despite European and U.S. demands for freer access to the Japanese market, the planning agency's projections showed imports rising by only 4.4 percent next year after increasing just 2 percent this year.

Foreign Ministry officials meanwhile said Japan will outline its response next month to a list of demands by the European Economic Community for measures to trim Japan's trade surplus. The demands were presented earlier this month.

Japan's surplus with the community is expected to reach \$15

billion in the year ending March. The EEC demanded that Japan boost its imports of European goods and restrain sales to the community.

The Foreign Ministry officials said the government was studying the EEC demands, which would be discussed at a meeting between the two sides in Tokyo late next month.

### Steel Negotiators From EEC Deny 'Understanding' on Trigger Price

**BRUSSELS** — An EEC spokesman said Monday that community officials have returned from Washington without an agreement on the issue of the community's steel exports to the United States.

The spokesman discounted reports that U.S. and EEC negotiators had agreed on a proposal that would ease the tensions between the two trading partners and might prevent U.S. steel companies from filing unfair trade practice cases against several Western European companies.

"Our negotiators have returned, but no agreement was reached and the talks will continue," the spokesman said.

The earlier reports from Washington said that EEC and U.S. officials had reached a tentative "understanding" that centered on a more rigid enforcement of the trigger price mechanism, which sets minimum prices for imported steel. The EEC negotiators only had to gain approval of their governments, the reports said.

**Tax Reduction Postponement**

**TOKYO** (Reuters) — The postponement of an income tax reduction in fiscal 1982 is inevitable, the government tax council said in a recommendation for tax reform.

The recommendation was reported by the Finance Ministry.

The tax reform recommendation was presented to Premier Suzuki on Monday to serve as a basis for the government's draft budget for the coming fiscal year.

The tax council supported some increased taxation on corporate entertainment costs and other items, and called for a cut in the amount companies can set aside for delayed tax payments.

## Stockholders Gain in Battle for Kaiser Steel

**NEW YORK** — Shareholders of Kaiser Steel, the largest integrated steel producer on the West Coast of the United States, have been watching a struggle for control of the company in profitable fascination.

The management is planning to phase out primary steelmaking operations, and a group of investors friendly to Edgar F. Kaiser Jr., former chairman of the company, favors the idea.

Nevertheless, this group wants the management to negotiate with Stanley Hiller Jr., who heads a group of investors who would like to buy the company. And earlier this month the United Steelworkers local at Kaiser Steel said the union would also make an effort to buy the company.

The resulting excitement has carried Kaiser's shares in within a few points of their 12-month peak of \$50 a share.

Elliot Schneider, an analyst who follows Kaiser Steel for Gruntal & Co., believes the uncertainties will be resolved by the time of the company's annual meeting in April. That is because the Edgar Kaiser group, with the backing of perhaps 40 percent of the stock, "probably could put together enough additional shares to vote management out," he said. Mr. Schneider is recommending the shares for speculative gain.

Eugene Berkowsky follows Kaiser Steel

for E. F. Hutton. He sees some risk in the shares of Kaiser Steel relative to other investment prospects, although he urges those who already own the shares to keep them.

The management plan is intended to make the company more competitive, but it would result in major equipment write-offs and the loss of about 3,000 jobs. Kaiser Steel's Eagle Mountain iron ore mine would be shut down, and so would the company's blast furnaces, its coke ovens, its basic oxygen steel-making facilities and possibly its continuous caster.

If the caster is scrapped, the company would use imported slab in its steel-finishing operations. The company might instead keep the caster and install an electric furnace to produce steel from scrap.

If Kaiser Steel were to install the furnace, it would in effect become "the largest mini-mill in the nation" and thus would not be totally dependent on foreign slab steel, Schneider said.

Either way, the company hopes to finish and deliver steel from its base on the West Coast at lower cost than can foreign producers. But Kaiser Steel would have to spend \$50 million or so for the electric furnace and another \$50 million for finishing facilities.

Pension costs for terminated employees and write-offs of abandoned facilities would be charged to the final quarter of 1981. The

write-offs would amount to at least \$150 million, and the company has indicated the sum could be larger by a factor of two or even three, depending upon how much of the plant ultimately is closed. The company has said it would begin the shutdowns in 1983 in any event.

Mr. Schneider said that in one sense "the write-offs mean nothing" because the money was spent many years ago and would provide the basis for substantial tax loss carry-forwards.

More positively, he said that the company has cash holdings of \$418 million, or almost \$60 a share, and that an additional \$100 million in cash will be generated this year, equal to \$15 a share.

The Value Line Investment Survey expects Kaiser Steel to have an operating loss of \$71 million for 1981. There are about 7.1 million shares outstanding.

Mr. Kaiser and his group have been putting pressure on management to accept Mr. Hiller's bid or find a way to make the stock worth more than he is offering. Mr. Hiller's first bid was \$52 a share. When management balked, he raised it to \$54 a share.

Management has since announced that it is looking into a plan to buy an unstated amount of Kaiser Steel common shares with the assistance of the First Boston Corp.

## Filmmakers, Retailers Battle Over Cassettes

**(Continued From Page 9)**

home television deprived them of future resale revenues and was illegal.

Until a few months ago, movie producers who put their films on video cassettes merely sold them to video retailers, assuming that the retailers would resell them. But the retail price of \$50 to \$80 was prohibitive to many consumers, especially for a movie they might want to see only once.

Up to 30 Rentals Per Sale

So retailers began renting the tapes for a few dollars a night. And industry executives now estimate that there are anywhere from five to 30 rentals for each sale. Rentals are estimated to account for at least half of the overall \$150 million to \$300 million in total revenues that the home video cassette business is expected to generate this year.

And the rental trend is expected to continue to accelerate in the next few years as the number of video cassette recorders, now estimated at 3 million in the United States, continues to soar.

Under the copyright law, the studios had no claim to rental revenues because the dealer owned the tape. The studios received only the royalties from a single sale.

"We've even tracked some cassettes where 100 rentals have taken place in the course of the year," said Morton J. Fink, president of Warner Home Video, a division of Warner Communications. He said a movie studio would get a \$7 royalty on the sale of a cassette. If the studio got the same percentage of rental revenues on a popular tape, it could receive as much as \$35 to \$50.

In addition, many retailers may be duplicating tapes — to rent more than one at a time — a practice that is illegal, but hard to prevent.

"The retailers were getting away with murder," said Anthony Hoff-

man, an entertainment industry analyst at A.G. Becker.

Some movie studios have realized that by renting, rather than selling, their tapes in dealers, they can keep control of the tapes and dictate what is done with them. Such an arrangement is a natural idea for movie studios, because they generally do not sell their films to movie theaters, television stations or others who show them.

"We are bringing the motion picture box office to the home video store," said Cy Leslie, president and co-chairman of MGM-CBS Home Video.

The movie studios have come forth with a dizzying variety of plans. Walt Disney allows dealers to rent tapes that can be rented to consumers, or to buy tapes that can be resold. To both sell and rent, a retailer would need separate inventories. Warner Home Video has announced that it will ban sales altogether.

Twentieth Century-Fox and MGM-CBS have similar ideas. They will allow rentals only on popular tapes — for six months in the case of Fox and for four months in the case of MGM-CBS. After that, if the film has declined in popularity, the studios will sell tapes to dealers, who can either resell or rent them.

MGM-CBS is stressing the anti-piracy protection that its plan affords. Its rental-only tapes will be colored red. If the tape is duplicated onto a standard blank tape that is not red, it will be easily spotted. The company said it would send "shoppers" around to check up on dealers.

Other major studios, however, have not moved to rent tapes to dealers. Paramount has merely added a surcharge of \$1 to \$10 on the wholesale purchase price of its cassettes. MCA is raising the wholesale price of some of its more popular movies.

Retailers have objected to all the rental plans because of the book-keeping involved, and because they are paying as much, if not more, to lease tapes as they once paid to buy them. But, by far, the plan that has attracted the most opposition is the rental-only plan of Warner, which has prompted threats of boycotts.

**Warner 'Too Expensive'**

"It's too expensive to carry their tapes now," said David Prinz, an owner of Captain Video, a San Francisco-based chain. "Warner used to have 23 percent of the shelf space in our store. Now they're 2 to 3 percent."

Mr. Prinz said dealers could not afford to pay a weekly rental fee for a tape they rented only sporadically.

If the industry coalesces around a plan in which popular new movies are rented only and older ones are sold, it will still have to decide when to release the movies on video cassette and how long to keep them on a rental-only basis. That will require a better understanding of the market. For instance, how much will early rentals of video cassettes damage theater receipts? And how much in sales revenues will be lost if consumers are not allowed to buy a cassette when a movie is still at the height of its popularity?

## Nissan Sees 1% Export Rise, 7.2% Sales Jump in Japan

**TOKYO** — Nissan Motor's exports will rise only 1 percent next year over this year, to 1.45 million vehicles, Nissan President Takashi Ishihara predicted Monday.

He said 1981 production, hit by export restrictions, will fall 2.3 percent from last year to about 2.58 million units, the first drop in four years. But he also told reporters that Nissan, Japan's No. 2 automaker, plans to boost production by 3.7 percent next year to 2.68 million, aided by an expected 7.2-percent jump in domestic sales to 1.23 million.

Toyota, the leading Japanese automaker, said when it announced its 1982 projections last week that exports will level off at about 1.73 million units.

Mr. Ishihara attributed Nissan's small export prediction for 1982 to the appreciation of the yen against the dollar — making Japanese cars more expensive for American buyers — and to protectionist trends in the United States and Western Europe.

Recovery anticipated

He said U.S. auto demand should begin increasing by mid-1982, in line with anticipated economic recovery. He also predicted growing West European demand

as economies there show moderate recovery in the latter part of 1982.

Mr. Ishihara also said Nissan will decide by January or February whether to build a car assembly plant in Britain.

A group of top company officials visited Britain recently for talks with the British government on the project, which envisages a \$680-million factory capable of producing 200,000 cars a year.

A company official earlier said Nissan still is waiting for the British government to present its offers concerning the project.

Mr. Ishihara said he hopes negotiations on a similar project in Taiwan will begin in January. Taiwan authorities are interested in forming a joint venture with either Nissan or Toyota.

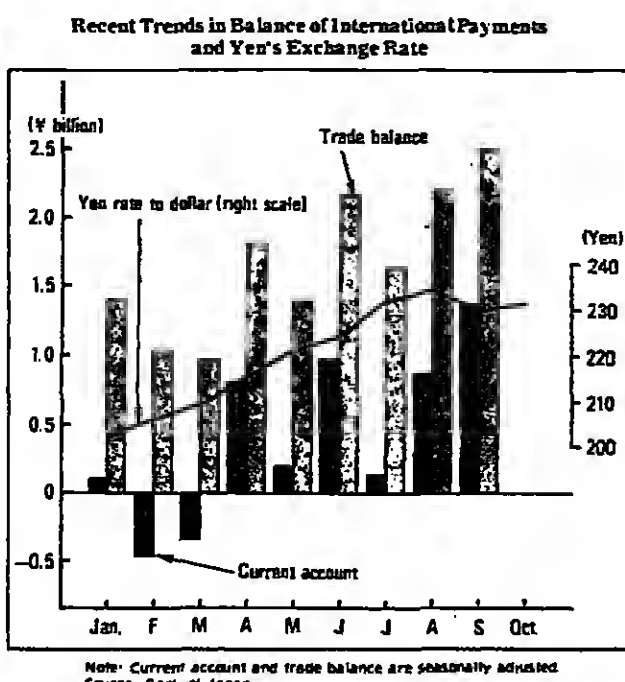
In Detroit, Automotive News said Nissan's U.S. subsidiary may operate in the red for five years if it has to pay existing auto industry wages and benefits.

The trade paper said the subsidiary has committed itself to match auto industry wages at its truck plant being built in Smyrna, Tenn. The plant is due to start production in August, 1983. But most observers expect union contracts to be negotiated in 1982 by the major U.S. automakers to call for lower labor costs.

## COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

Hong Kong			
Wing Lok Industrial			
1st Half	1981	1980	
Revenue	\$4.51	\$4.25	
Profits			
Japan			
Fait Photo Film			
Year	1981	1980	
Revenue	446,810	404,380	
Profits	26,190	15,750	
Per Share	114.45	52.97	
United States			
Whitaker (Jtm)			
1st Quarter	1981	1980	
Revenue	\$56.4	\$59.9	
Profits	3.40	18.48	
Per Share	0.18	1.06	
Whitaker			
4th Quarter	1981	1980	
Revenue	412.7	397.6	
Profits	19.1	16.4	
Per Share	1.21	1.09	
Year	1981	1980	
Revenue	1,670	1,590	
Profits	69.3	57.5	
Per Share	0.40	3.90	



Note: Current account and trade balance are seasonally adjusted. Source: Bank of Japan

the dual impact of increasing controversy over trade imbalance between Japan and Europe and the U.S., and an expected gradual expansion of domestic demand.

Public works expenditures during the first half of fiscal 1981 have provided the economy with an expansionary force on the strength of stepped-up implementation. In a sharp contrast, they will slow down in the second half and the fiscal sector could prove to be a drag on business expansion.

Private capital investment is characterized by conspicuous imbalances as in industry and size of enterprises. Private capital expenditures as measured on the basis of GNP statistics slipped 0.4 percent during the second quarter. Their performance during the third quarter does not necessarily look favorable according to various indicators.

This does not rule out improvement in the future, however. Orders for machinery, an indicator of the future level of private capital investment, rose 2.9 percent in August and 3.4 percent in September from the preceding month. Lagging investment by smaller enterprises is also expected to pick up in the coming months. According to surveys by various organizations, capital investment by entire industries planned for fiscal 1981 is 10-12 percent ahead of last fiscal year's actual spending.

Private housing investment remains extremely depressed. New housing starts in September were 5.6 percent of the year-earlier level, the fourth consecutive month they trailed the year-earlier level. While housing starts in the first six months of fiscal 1981 totaled 630,000 units, the numbers for the entire fiscal year are certain to end up short of 1.2 million as the second half normally fares poorly compared with the first half.

Private consumption expenditures, the largest component of the entire demand, also lag in recovery. According to the Prime Minister's Office's household economy survey, consumption expenditures in August rose 2.7 percent from a year earlier in nominal terms, but fell 1.3 percent in real terms, the third consecutive monthly decline.

Sales of large retail outlets, however, rose 8.8 percent in August and 9.4 percent in September from a year earlier, while the average outstanding balance of Bank of Japan note issues rose 5.0 percent in August and 5.8 percent in September. The trends of these indicators appear to suggest that consumption keeps recovering, if very slowly.

Talk it over with DKB. The international bank that listens.

DAI-ICHI KANGYO BANK

The next DKB monthly report will appear Jan. 26.

## DKB ECONOMIC REPORT

December 1981: Vol. 10 No. 12

### Japanese economy will benefit from falling U.S. interest rates and unified OPEC oil prices

Recent developments abroad are mixed in their implications for the Japanese economy. Signs of a decline in U.S. interest rates and unified OPEC oil prices will certainly work favorably for Japan, while the slump of the American and European economies, especially rising unemployment, raises serious concern over escalation of trade frictions with them.

Domestic business recovery, in the meantime, is progressing fairly steadily, but its future depends on the strength of expansion of personal consumption expenditures, now that exports and fiscal spendings look likely to slow down in the months ahead.

Against the background of increasing evidences of a setback in the U.S. economy, the Federal Reserve Board trimmed the discount rate by 1/2 percent to 13 percent, effective November 2, while the prime rate charged by leading commercial banks has slipped to below 17 percent. Signs of falling U.S. interest rates are expected to favorably affect the yen rate and the Japanese bond market.

With consumer price advances still continuing at 10 percent or so in the U.S., however, the Fed is holding fast to the declared policy of tight credit, and this makes the prospects dim for any steep decline in U.S. interest rates. A recovery of the yen rate, consequently, will be a moderate one.

The OPEC general meeting on October 29 agreed to unify the standard oil prices at \$34 a barrel and keep it in force through 1982. The agreement put to an end the disarray in oil prices which had prevailed since the Iranian Revolution broke out in February, 1979.

As a result, Saudi Arabia has raised its price of Arabian Light oil by \$2 a barrel, while other OPEC members are curtailing theirs by \$1-3. How exactly such changes will affect the cost of Japanese oil imports is not clear yet, but their impact on the Japanese economy is believed minimal because only a minor change is expected in the country's oil bills.

The price freeze rather is likely to have favorable impacts on business and prices.

The EC Commission recently projected the economic growth rate in 1981 for EC as a whole at minus 0.5 percent, while consumer prices were predicted to rise by 11.3 percent and unemployment reaching 7.8 percent. The U.S. economy also has entered a recession, with GNP recording a drop in the second and third quarters. Rising unemployment in Europe and the U.S. threatens worsening of trade frictions with Japan.

**Moderate rise in production**

In the midst of the worldwide economic slump, the Japanese economy keeps on a generally steady recovery path.

Mining and manufacturing production fell by 2.6 percent in August from the preceding month, but rose 2.4 percent in September. On a quarterly basis, it registered a 1.6 percent rise in the first quarter, followed by a 0.3 percent drop in the second quarter and a 1.2 percent rise in the third quarter. The outlook index for the manufacturing industry dropped 0.4 percent in October but rose 0.4 percent in November. Despite a zigzag pattern, production appears to be rising moderately as a trend.

Inventory fell 2.2 percent in August and inched up by 0.2 percent in September. In the quarter-to-quarter movement, it rose 0.9 percent in the second quarter but fell 3.1 percent in the third quarter. Progress of inventory adjustment is also evident from a 3.3 percent drop in the index of inventory ratio of finished goods in the quarter.

Recovery of the economy is also reflected in money supply. The rate of growth of M2+CD (average outstanding figure) over a year earlier sagged to 7.8 percent from October, 1980 to May, 1981, but recovered sharply thereafter, reaching 10.1 percent in September.

**Prices stable; current account rapidly improving**

Prices remain stable. The month-to-month movement of

wholesale prices which kept rising from April through August turned flat in September and went down by 0.1 percent in October. The fall was caused primarily by a halt to rise in import prices due to a relative firming in the yen rate after early August. Wholesale prices will continue stable as the yen is headed for further recovery.

Consumer prices are also calm. The October index for Tokyo's 23 wards advanced by 0.4 percent from the preceding month and 3.9 percent from a year earlier. The index's rise from the year-before level stood below 4 percent for three months in a row.

The balance of international payments is faring well, too. The current account balance during the six months to September (the first half of fiscal 1981) produced a surplus of \$4.8 billion on account of the hefty trade surplus arising from strong exports and weak imports. Exports maintained a high level, centering on machinery, such as ships and video tape recorders, while imports slumped due to slow demand for crude oil and lumber, among other things. The trade surplus during the six month-period amounted to \$12.2 billion.

**Trend of final demand**

But the growth rate of exports which have led the economy's expansion in the past year is losing steam recently. Seasonally-adjusted exports in dollar value, on a customs clearance basis, fell 1.9 percent in the third quarter from the preceding quarter after it increased 6.0 percent in the first quarter and 2.0 percent in the second quarter. A decline in the growth rate is also reflected in the value of dollar-based export letters of credit received — up 10.4 percent in the first quarter, down 2.2 percent in the second quarter, and 1.0 percent in the third quarter. The value is an indicator of the future level of exports.

Growth of exports is expected to continue to slow down under

Network in Europe: Branches at London, Düsseldorf Representative Offices at Frankfurt, Paris, Madrid Subbranches at Amsterdam, Zürich, Luxembourg Associated Companies at London, Luxembourg

Head Office: 1-5, Uchisaiyama 1-chome, Chiyoda-ku, Tokyo 100, Japan. Tel. (03) 556-1111 Branches and Agencies at: New York, Los Angeles, Panama, Taipei, Seoul, Singapore Representative Offices at: Chicago, Houston, Toronto, São Paulo, Mexico City, Caracas, Buenos Aires, Bahrain, Jakarta, Kuala Lumpur, Sydney Subbranches at: Chicago, Hong Kong Associated Companies at: Rio de Janeiro, Hong Kong, Bangkok, Singapore, Kuala Lumpur, Jakarta, Manila, Melbourne, Sydney.

# NOBODY WILL EVER KNOW THAT YOU MADE A FAVOURABLE INVESTMENT IN KRUGERRANDS.

Gold. Throughout history — and especially since the invention of paper money — gold has been a favourite safeguard against the upheavals and uncertainties that sweep the world. In today's climate of uncertainty, more and more investors are seeking methods to increase the security of their future investments. So they're turning to Krugerrands.

Krugerrands are bullion coins, basically you pay for the one troy ounce of fine gold they contain. And as standardized coins they are recognized as legal tender around the world. There are more than 33,000,000 in circulation, selling at the daily gold

price plus a very small premium which covers minting and distribution costs.

Some of the premium is even recoverable on resale. Consequently, a minimum rise in the price of gold means you show immediate profit. Alternatively, since the long-term trend in the price of gold has so far been upward, the coins may be held for the future. Short- or long-term, Krugerrands are one of the wisest

investments around. You can follow their value by checking the daily gold price, and some newspapers even publish daily Krugerrand prices.

How do you invest in Krugerrands? Nothing could be easier. As the most widely traded gold coin in the world, you may buy a single coin or in quantity — with complete discretion — through most banks, stock brokers and bullion coin dealers. Krugerrands are readily

available in sizes to suit all budgets (for smaller budgets there are 1/2 oz, 1/4 oz and 1/10 oz coins). In some countries they are even exempt from sales tax or any other tax.

If you want to know more about buying Krugerrands, go and see your bank or investment broker. If you would like to have further information write to:

International Gold Corporation  
1 rue de la Rôtisserie  
1204 Geneva  
Switzerland.



KRUGERRAND money you can trust.



Tables include the nationwide prices up to the closing on Wall Street.

(Continued from Page 8)

[illegible]

## Other Stock Markets

Dec. 21, 1981

[illegible]

## Toronto Stocks

**Closing Prices, Dec. 18, 1981**[illegible]

## Montreal Stocks

**Closing Prices, Dec. 18, 1981**

[illegible]

### Gold Options (prices in \$/oz.)

Prices	Feb.	May	Aug.
--------	------	-----	------

Gold Options (prices in \$/oz.)			
Prices	Falls	May	Aug.
410	23.04-24.24		
415	23.24-24.24	24.50-27.25	
420	23.50-24.24	24.50-27.25	26.50-29.25
425	24.00-24.24	24.50-27.25	26.50-29.25
430	24.00-24.24	24.50-27.25	26.50-29.25
435	24.00-24.24	24.50-27.25	26.50-29.25
440	24.00-24.24	24.50-27.25	26.50-29.25
445	24.00-24.24	24.50-27.25	26.50-29.25
450	24.00-24.24	24.50-27.25	26.50-29.25
455	24.00-24.24	24.50-27.25	26.50-29.25
460	24.00-24.24	24.50-27.25	26.50-29.25
465	24.00-24.24	24.50-27.25	26.50-29.25
470	24.00-24.24	24.50-27.25	26.50-29.25
475	24.00-24.24	24.50-27.25	26.50-29.25
480	24.00-24.24	24.50-27.25	26.50-29.25
485	24.00-24.24	24.50-27.25	26.50-29.25
490	24.00-24.24	24.50-27.25	26.50-29.25
495	24.00-24.24	24.50-27.25	26.50-29.25
500	24.00-24.24	24.50-27.25	26.50-29.25
505	24.00-24.24	24.50-27.25	26.50-29.25
510	24.00-24.24	24.50-27.25	26.50-29.25
515	24.00-24.24	24.50-27.25	26.50-29.25
520	24.00-24.24	24.50-27.25	26.50-29.25
525	24.00-24.24	24.50-27.25	26.50-29.25
530	24.00-24.24	24.50-27.25	26.50-29.25
535	24.00-24.24	24.50-27.25	26.50-29.25
540	24.00-24.24	24.50-27.25	26.50-29.25
545	24.00-24.24	24.50-27.25	26.50-29.25
550	24.00-24.24	24.50-27.25	26.50-29.25
555	24.00-24.24	24.50-27.25	26.50-29.25
560	24.00-24.24	24.50-27.25	26.50-29.25
565	24.00-24.24	24.50-27.25	26.50-29.25
570	24.00-24.24	24.50-27.25	26.50-29.25
575	24.00-24.24	24.50-27.25	26.50-29.25
580	24.00-24.24	24.50-27.25	26.50-29.25
585	24.00-24.24	24.50-27.25	26.50-29.25
590	24.00-24.24	24.50-27.25	26.50-29.25
595	24.00-24.24	24.50-27.25	26.50-29.25
600	24.00-24.24	24.50-27.25	26.50-29.25
605	24.00-24.24	24.50-27.25	26.50-29.25
610	24.00-24.24	24.50-27.25	26.50-29.25
615	24.00-24.24	24.50-27.25	26.50-29.25
620	24.00-24.24	24.50-27.25	26.50-29.25
625	24.00-24.24	24.50-27.25	26.50-29.25
630	24.00-24.24	24.50-27.25	26.50-29.25
635	24.00-24.24	24.50-27.25	26.50-29.25
640	24.00-24.24	24.50-27.25	26.50-29.25
645	24.00-24.24	24.50-27.25	26.50-29.25
650	24.00-24.24	24.50-27.25	26.50-29.25
655	24.00-24.24	24.50-27.25	26.50-29.25
660	24.00-24.24	24.50-27.25	26.50-29.25
665	24.00-24.24	24.50-27.25	26.50-29.25
670	24.00-24.24	24.50-27.25	26.50-29.25
675	24.00-24.24	24.50-27.25	26.50-29.25
680	24.00-24.24	24.50-27.25	26.50-29.25
685	24.00-24.24	24.50-27.25	26.50-29.25
690	24.00-24.24	24.50-27.25	26.50-29.25
695	24.00-24.24	24.50-27.25	26.50-29.25
700	24.00-24.24	24.50-27.25	26.50-29.25
705	24.00-24.24	24.50-27.25	26.50-29.25
710	24.00-24.24	24.50-27.25	26.50-29.25
715	24.00-24.24	24.50-27.25	26.50-29.25
720	24.00-24.24	24.50-27.25	26.50-29.25
725	24.00-24.24	24.50-27.25	26.50-29.25
730	24.00-24.24	24.50-27.25	26.50-29.25
735	24.00-24.24	24.50-27.25	26.50-29.25
740	24.00-24.24	24.50-27.25	26.50-29.25
745	24.00-24.24	24.50-27.25	26.50-29.25
750	24.00-24.24	24.50-27.25	26.50-29.25
755	24.00-24.24	24.50-27.25	26.50-29.25
760	24.00-24.24	24.50-27.25	26.50-29.25
765	24.00-24.24	24.50-27.25	26.50-29.25
770	24.00-24.24	24.50-27.25	26.50-29.25
775	24.00-24.24	24.50-27.25	26.50-29.25
780	24.00-24.24	24.50-27.25	26.50-29.25
785	24.00-24.24	24.50-27.25	26.50-29.25
790	24.00-24.24	24.50-27.25	26.50-29.25
795	24.00-24.24	24.50-27.25	26.50-29.25
800	24.00-24.24	24.50-27.25	26.50-29.25
805	24.00-24.24	24.50-27.25	26.50-29.25
810	24.00-24.24	24.50-27.25	26.50-29.25
815	24.00-24.24	24.50-27.25	26.50-29.25
820	24.00-24.24	24.50-27.25	26.50-29.25
825	24.00-24.24	24.50-27.25	26.50-29.25
830	24.00-24.24	24.50-27.25	26.50-29.25
835	24.00-24.24	24.50-27.25	26.50-29.25
840	24.00-24.24	24.50-27.25	26.50-29.25
845	24.00-24.24	24.50-27.25	26.50-29.25
850	24.00-24.24	24.50-27.25	26.50-29.25
855	24.00-24.24	24.50-27.25	26.50-29.25
860	24.00-24.24	24.50-27.25	26.50-29.25
865	24.00-24.24	24.50-27.25	26.50-29.25
870	24.00-24.24	24.50-27.25	26.50-29.25
875	24.00-24.24	24.50-27.25	26.50-29.25
880	24.00-24.24	24.50-27.25	26.50-29.25
885	24.00-24.24	24.50-27.25	26.50-29.25
890	24.00-24.24	24.50-27.25	26.50-29.25
895	24.00-24.24	24.50-27.25	26.50-29.25
900	24.00-24.24	24.50-27.25	26.50-29.25
905	24.00-24.24	24.50-27.25	26.50-29.25
910	24.00-24.24	24.50-27.25	26.50-29.25
915	24.00-24.24	24.50-27.25	26.50-29.25
920	24.00-24.24	24.50-27.25	26.50-29.25
925	24.00-24.24	24.50-27.25	26.50-29.25
930	24.00-24.24	24.50-27.25	26.50-29.25
935	24.00-24.24	24.50-27.25	26.50-29.25
940	24.00-24.24	24.50-27.25	26.50-29.25
945	24.00-24.24	24.50-27.25	26.50-29.25
950	24.00-24.24	24.50-27.25	26.50-29.25
955	24.00-24.24	24.50-27.25	26.50-29.25
960	24.00-24.24	24.50-27.25	26.50-29.25
965	24.00-24.24	24.50-27.25	26.50-29.25
970	24.00-24.24	24.50-27.25	26.50-29.25
975	24.00-24.24	24.50-27.25	26.50-29.25
980	24.00-24.24	24.50-27.25	26.50-29.25
985	24.00-24.24	24.50-27.25	26.50-29.25
990	24.00-24.24	24.50-27.25	26.50-29.25
995	24.00-24.24	24.50-27.25	26.50-29.25
1000	24.00-24.24	24.50-27.25	26.50-29.25

Gold (1000g) 1480-1490

**Values White Weld S.A.**

1, Quai du Mont-Blanc  
 1211 Geneva 4 - Switzerland  
 Tel. 31 00 55 51  
 Telex 281 305

GOLD OPTIONS			
Series	Falls	May	Aug.
c 300	8.00-8.25	8.50	77.00
c 350	15.00	45.50	25.00
c 400	15.00	45.50	25.00
c 450	15.00	45.50	25.00
c 500	15.00	45.50	25.00
c 550	15.00	45.50	25.00
c 600	15.00	45.50	25.00
c 650	15.00	45.50	25.00
c 700	15.00	45.50	25.00
c 750	15.00	45.50	25.00
c 800	15.00	45.50	25.00
c 850	15.00	45.50	25.00
c 900	15.00	45.50	25.00
c 950	15.00	45.50	25.00
c 1000	15.00	45.50	25.00
c 1050	15.00	45.50	25.00
c 1100	15.00	45.50	25.00
c 1150	15.00	45.50	25.00
c 1200	15.00	45.50	25.00
c 1250	15.00	45.50	25.00
c 1300	15.00	45.50	25.00
c 1350	15.00	45.50	25.00
c 1400	15.00	45.50	25.00
c 1450	15.00	45.50	25.00
c 1500	15.00	45.50	25.00
c 1550	15.00	45.50	25.00
c 1600	15.00	45.50	25.00
c 1650	15.00	45.50	25.00
c 1700	15.00	45.50	25.00
c 1750	15.00	45.50	25.00
c 1800	15.00	45.50	25.00
c 1850	15.00	45.50	25.00
c 1900	15.00	45.50	25.00
c 1950	15.00	45.50	25.00
c 2000	15.00	45.50	25.00
c 2050	15.00	45.50	25.00
c 2100	15.00	45.50	25.00
c 2150	15.00	45.50	25.00
c 2200	15.00	45.50	25.00
c 2250	15.00	45.50	25.00
c 2300	15.00	45.50	25.00
c 2350	15.00	45.50	25.00
c 2400	15.00	45.50	25.00
c 2450	15.00	45.50	25.00
c 2500	15.00	45.50	25.00
c 2550	15.00	45.50	25.00
c 2600	15.00	45.50	25.00
c 2650	15.00	45.50	25.00
c 2700	15.00	45.50	25.00
c 2750	15.00	45.50	25.00
c 2800	15.00	45.50	25.00
c 2850	15.00	45.50	25.00
c 2900	15.00	45.50	25.00
c 2950	15.00	45.50	25.00
c 3000	15.00	45.50	25.00
c 3050	15.00	45.50	25.00
c 3100	15.00	45.50	25.00
c 3150	15.00	45.50	25.00
c 3200	15.00	45.50	25.00
c 3250	15.00	45.50	25.00
c 3300	15.00	45.50	25.00
c 3350	15.00	45.50	25.00
c 3400	15.00	45.50	25.00
c 3450	15.00	45.50	25.00
c 3500	15.00	45.50	25.00
c 3550	15.00	45.50	25.00
c 3600	15.00	45.50	25.00
c 3650	15.00	45.50	25.00
c 3700	15.00	45.50	25.00
c 3750	15.00	45.50	25.00
c 3800	15.00	45.50	25.00
c 3850	15.00	45.50	25.00
c 3900	15.00	45.50	25.00
c 3950	15.00	45.50	25.00
c 4000	15.00	45.50	25.00
c 4050	15.00	45.50	25.00
c 4100	15.00	45.50	25.00
c 4150	15.00	45.50	25.00
c 4200	15.00	45.50	25.00
c 4250	15.00	45.50	25.00
c 4300	15.00	45.50	25.00
c 4350	15.00	45.50	25.00
c 4400	15.00	45.50	

## Canadian Indexes

Dec. 21, 1951

Dec. 21, 1981		
	Class	Previous
Index	N.A.	333.73
Index	1,932.30	1,942.40
Index: Stock Exchange Industrial Index Index: TSE 300 Index		

**European Options Exchange**

1. 262771 AMSTERDAM Telex 14596

**GOLD OPTIONS**

Jan	Feb.	May	Aug.
-----	------	-----	------

	Feb.	May	Aug.
975	48.00 a	62.00 a	77.00 a
970	30.00	45.50	57.00 a
965	15.00	37.00 a	46.00 a
960	7.50 a	20.00 a	—
955	2.50	11.50	—
950	4.00 a	7.50	11.50 a
945	11.00 a	13.50	17.50 a
940	21.00	28.00	20.50 a

Low prices in 3/4 oz. of most active series.  
a = call; p = put; a = ask; b = bid.  
Prices provided by EOE  
and Merrill Lynch International.

[illegible][illegible][illegible]

**SAVE!**

**F.F. 528, S.Fr. 242, D.M. 264**

If you now buy the International Herald Tribune at the newsstand every day, you're spending almost twice as much as you need to.

Take advantage of our special introductory offer for new subscribers. You'll save 25% off the regular subscription price, or 42% off the newsstand price in most countries!

On a 12-month subscription, that represents a saving of FF 528 if you live in France, SFr. 242 in Switzerland, FL 296 in the Netherlands, and similar savings in other countries.

Start getting more world news for less immediately. Complete the coupon below and return it to us with your check or money order today.

THESE ARE THE SPECIAL RATES AFTER DEDUCTION OF THE INTRODUCTORY DISCOUNT														
12 months 6 months 3 months				12 months 6 months 3 months				12 months 6 months 3 months						
Aden (air).....	\$	330.00	165.00	92.00	Angora (air).....	Dz	7,200.00	3,600.00	1,980.00	Polatska (air).....	\$	330.00	165.00	92.00
Algeria (air).....	\$	330.00	165.00	92.00	Hungary (air).....	\$	230.00	115.00	63.00	Poland (air).....	\$	230.00	115.00	63.00
Africa, ex-Fr. ocean. (air).....	\$	230.00	115.00	63.00	Iran (air).....	\$	248.00	124.00	69.00	Polynesia, French (air).....	\$	248.00	124.00	69.00
Africa, others (air).....	\$	330.00	165.00	92.00	Iraq (air).....	\$	248.00	124.00	69.00	Portugal (air).....	Esc.	7,200.00	3,600.00	1,980.00
Algeria (air).....	\$	230.00	115.00	63.00	Israel (air).....	\$	230.00	115.00	63.00	Romania (air).....	\$	230.00	115.00	63.00
Antarctica.....	Swk.	2,700.00	1,350.00	720.00	Italy.....	Lit.	14,400.00	7,200.00	3,600.00	Saudi Arabia (air).....	\$	248.00	124.00	69.00
Belgium.....	B.F.	5,400.00	2,700.00	1,500.00	Japan (air).....	Y.	248.00	124.00	69.00	South America (air).....	\$	230.00	115.00	63.00
Bulgaria (air).....	\$	230.00	115.00	63.00	Italy.....	Lira	144,000.00	72,000.00	36,000.00	Spain (air).....	Pes.	12,600.00	6,300.00	3,520.00
Canada (air).....	\$	230.00	165.00	92.00	Kuwait (air).....	\$	330.00	165.00	92.00	Sweden (air).....	S.Kr.	81,000	40,500	22,500
Cyprus (air).....	\$	230.00	115.00	63.00	Lebanon (air).....	\$	248.00	124.00	69.00	Switzerland.....	S.Fr.	538.00	269.00	90.00
Czechoslovakia (air).....	\$	230.00	115.00	63.00	Liechtenstein.....	Sw.	248.00	124.00	69.00	Tunisia (air).....	\$	230.00	115.00	63.00
Dominican (air).....	D.R.	690.00	345.00	270.00	Luxembourg.....	L.F.	5,400.00	2,700.00	1,500.00	Turkey (air).....	\$	230.00	115.00	63.00
Egypt (air).....	\$	248.00	124.00	69.00	Malagasy (air).....	\$	230.00	165.00	92.00	U.A.R. (air).....	\$	330.00	165.00	92.00
Ethiopia (air).....	\$	230.00	165.00	92.00	Malta (air).....	\$	230.00	115.00	63.00	U.S.S.R. (air).....	\$	230.00	115.00	63.00
Finland (air).....	F.M.	610.00	305.00	225.00	Mexico (air).....	\$	230.00	165.00	92.00	U.S.A. (air).....	\$	230.00	115.00	63.00
France.....	F.F.	270.00	360.00	190.00	Nicaragua (air).....	\$	230.00	115.00	63.00	Venezuela (air).....	\$	230.00	115.00	63.00
Germany.....	D.M.	360.00	180.00	100.00	Norway (air).....	Nkr.	406.00	203.00	112.00	Zaire (air).....	\$	230.00	165.00	92.00
Great Britain.....	£S.	54.00	27.00	15.00	Norway (air).....	Nkr.	406.00	203.00	112.00	Other Eur. Count. (air).....	\$	230.00	115.00	63.00

INTERNATIONAL  
**Herald Tribune**  
Published with The New York Times and The Washington Post  
**Incisive. In depth. International.**



Tables include the nationwide prices up to the closing on Wall Street.

12 Month	Stock	5 Yr	P/E	High	Low	Close	Open
High	Low	Div.	Yld.	P/E	High	Low	Close
154	12 LYN Co	10	11	114	112	110	110
155	12 LYN Co	10	11	114	112	110	110
174	12 ACC Mid	15	14	124	120	118	118
175	12 ACC Mid	15	14	124	120	118	118
176	12 ACC Mid	15	14	124	120	118	118
177	12 ACC Mid	15	14	124	120	118	118
178	12 ACC Mid	15	14	124	120	118	118
179	12 ACC Mid	15	14	124	120	118	118
180	12 ACC Mid	15	14	124	120	118	118
181	12 ACC Mid	15	14	124	120	118	118
182	12 ACC Mid	15	14	124	120	118	118
183	12 ACC Mid	15	14	124	120	118	118
184	12 ACC Mid	15	14	124	120	118	118
185	12 ACC Mid	15	14	124	120	118	118
186	12 ACC Mid	15	14	124	120	118	118
187	12 ACC Mid	15	14	124	120	118	118
188	12 ACC Mid	15	14	124	120	118	118
189	12 ACC Mid	15	14	124	120	118	118
190	12 ACC Mid	15	14	124	120	118	118
191	12 ACC Mid	15	14	124	120	118	118
192	12 ACC Mid	15	14	124	120	118	118
193	12 ACC Mid	15	14	124	120	118	118
194	12 ACC Mid	15	14	124	120	118	118
195	12 ACC Mid	15	14	124	120	118	118
196	12 ACC Mid	15	14	124	120	118	118
197	12 ACC Mid	15	14	124	120	118	118
198	12 ACC Mid	15	14	124	120	118	118
199	12 ACC Mid	15	14	124	120	118	118
200	12 ACC Mid	15	14	124	120	118	118
201	12 ACC Mid	15	14	124	120	118	118
202	12 ACC Mid	15	14	124	120	118	118
203	12 ACC Mid	15	14	124	120	118	118
204	12 ACC Mid	15	14	124	120	118	118
205	12 ACC Mid	15	14	124	120	118	118
206	12 ACC Mid	15	14	124	120	118	118
207	12 ACC Mid	15	14	124	120	118	118
208	12 ACC Mid	15	14	124	120	118	118
209	12 ACC Mid	15	14	124	120	118	118
210	12 ACC Mid	15	14	124	120	118	118
211	12 ACC Mid	15	14	124	120	118	118
212	12 ACC Mid	15	14	124	120	118	118
213	12 ACC Mid	15	14	124	120	118	118
214	12 ACC Mid	15	14	124	120	118	118
215	12 ACC Mid	15	14	124	120	118	118
216	12 ACC Mid	15	14	124	120	118	118
217	12 ACC Mid	15	14	124	120	118	118
218	12 ACC Mid	15	14	124	120	118	118
219	12 ACC Mid	15	14	124	120	118	118
220	12 ACC Mid	15	14	124	120	118	118
221	12 ACC Mid	15	14	124	120	118	118
222	12 ACC Mid	15	14	124	120	118	118
223	12 ACC Mid	15	14	124	120	118	118
224	12 ACC Mid	15	14	124	120	118	118
225	12 ACC Mid	15	14	124	120	118	118
226	12 ACC Mid	15	14	124	120	118	118
227	12 ACC Mid	15	14	124	120	118	118
228	12 ACC Mid	15	14	124	120	118	118
229	12 ACC Mid	15	14	124	120	118	118
230	12 ACC Mid	15	14	124	120	118	118
231	12 ACC Mid	15	14	124	120	118	118
232	12 ACC Mid	15	14	124	120	118	118
233	12 ACC Mid	15	14	124	120	118	118
234	12 ACC Mid	15	14	124	120	118	118
235	12 ACC Mid	15	14	124	120	118	118
236	12 ACC Mid	15	14	124	120	118	118
237	12 ACC Mid	15	14	124	120	118	118
238	12 ACC Mid	15	14	124	120	118	118
239	12 ACC Mid	15	14	124	120	118	118
240	12 ACC Mid	15	14	124	120	118	118
241	12 ACC Mid	15	14	124	120	118	118
242	12 ACC Mid	15	14	124	120	118	118
243	12 ACC Mid	15	14	124	120	118	118
244	12 ACC Mid	15	14	124	120	118	118
245	12 ACC Mid	15	14	124	120	118	118
246	12 ACC Mid	15	14	124	120	118	118
247	12 ACC Mid	15	14	124	120	118	118
248	12 ACC Mid	15	14	124	120	118	118
249	12 ACC Mid	15	14	124	120	118	118
250	12 ACC Mid	15	14	124	120	118	118
251	12 ACC Mid	15	14	124	120	118	118
252	12 ACC Mid	15	14	124	120	118	118
253	12 ACC Mid	15	14	124	120	118	118
254	12 ACC Mid	15	14	124	120	118	118
255	12 ACC Mid	15	14	124	120	118	118
256	12 ACC Mid	15	14	124	120	118	118
257	12 ACC Mid	15	14	124	120	118	118
258	12 ACC Mid	15	14	124	120	118	118
259	12 ACC Mid	15	14	124	120	118	118
260	12 ACC Mid	15	14	124	120	118	118
261	12 ACC Mid	15	14	124	120	118	118
262	12 ACC Mid	15	14	124	120	118	118
263	12 ACC Mid	15	14	124	120	118	118
264	12 ACC Mid	15	14	124	120	118	118
265	12 ACC Mid	15	14	124	120	118	118
266	12 ACC Mid	15	14	124	120	118	118
267	12 ACC Mid	15	14	124	120	118	118
268	12 ACC Mid	15	14	124	120	118	118
269	12 ACC Mid	15	14	124	120	118	118
270	12 ACC Mid	15	14	124	120	118	118
271	12 ACC Mid	15	14	124	120	118	118
272	12 ACC Mid	15	14	124	120	118	118
273	12 ACC Mid	15	14	124	120	118	118
274	12 ACC Mid	15	14	124	120	118	118
275	12 ACC Mid	15	14	124	120	118	118
276	12 ACC Mid	15	14	124	120	118	118
277	12 ACC Mid	15	14	124	120	118	118
278	12 ACC Mid	15	14	124	120	118	118
279	12 ACC Mid	15	14	124	120	118	118
280	12 ACC Mid	15	14	124	120	118	118
281	12 ACC Mid	15	14	124	120	118	118
282	12 ACC Mid	15	14	124	120	118	118
283	12 ACC Mid	15	14	124	120	118	118
284	12 ACC Mid	15	14	124	120	118	118
285	12 ACC Mid	15	14	124	120	118	118
286	12 ACC Mid	15	14	124	120	118	118
287	12 ACC Mid	15	14	124	120	118	118
288	12 ACC Mid	15	14	124	120	118	118
289	12 ACC Mid	15	14	124	120	118	118
290	12 ACC Mid	15	14	124	120	118	118
291	12 ACC Mid	15	14	124	120	118	118
292	12 ACC Mid	15	14	124	120	118	118
293	12 ACC Mid	15	14	124	120	118	118
294	12 ACC Mid	15	14	124	120	118	118
295	12 ACC Mid	15	14	124	120	118	118
296	12 ACC Mid	15	14	124	120	118	118
297	12 ACC Mid	15	14	124	120	118	118
298	12 ACC Mid	15	14	124	120	118	118
299	12 ACC Mid	15	14	124	120	118	118
300	12 ACC Mid	15	14	124	120	118	118
301	12 ACC Mid	15	14	124	120	118	118
302	12 ACC Mid	15	14	124	120	118	118
303	12 ACC Mid	15	14	124	120	118	118
304	12 ACC Mid	15	14	124	120	118	118
305	12 ACC Mid	15	14	124	120	118	118
306	12 ACC Mid	15	14	124	120	118	118
307	12 ACC Mid	15	14	124	120	118	118
308	12 ACC Mid	15	14	124	120	118	118
309	12 ACC Mid	15	14	124	120	118	118
310	12 ACC Mid	15	14	124	120	118	118
311	12 ACC Mid	15	14	124	120	118	118
312	12 ACC Mid	15	14	124	120	118	118
313	12 ACC Mid	15	14	124	120	118	118
314	12 ACC Mid	15	14	124	120	118	118
315	12 ACC Mid	15	14	124	120	118	118
316	12 ACC Mid	15	14	124	120	118	118
317	12 ACC Mid	15	14	124	120	118	118
318	12 ACC Mid	15	14	124	120	118	118
319	12 ACC Mid	15	14	124	120	118	118
320	12 ACC Mid	15	14	124	120	118	118
321	12 ACC Mid	15	14	124	120	118	118
322	12 ACC Mid	15	14	124	120	118	118
323	12 ACC Mid	15	14	124	120	118	118
324	12 ACC Mid	15	14	124	120	118	118
325	12 ACC Mid	15	14	124	120	118	118
326	12 ACC Mid	15	14	124	120	118	118
327	12 ACC Mid	15	14	124	120	118	118
328	12 ACC Mid	15	14	124	120	118	118
329	12 ACC Mid	15	14	124	120	118	118
330	12 ACC Mid	15	14	124	120	118	118
331	12 ACC Mid	15	14	124	120	118	118
332	12 ACC Mid	15	14	124	120	118	118
333	12 ACC Mid	15	14	124	120	118	118
334	12 ACC Mid	15	14	124	120	118	118
335	12 ACC Mid	15	14	124	120	118	118
336	12 ACC Mid	15	14	124	120	118	118
337	12 ACC Mid	15	14	124	120	118	118
338	12 ACC Mid	15	14	124	120	118	118
339	12 ACC Mid	15	14	124	120	118	118
340	12 ACC Mid	15	14	124	120	118	118
341	12 ACC Mid	15	14	124	120	118	118
342	12 ACC Mid	15	14	124	120	118	118
343	12 ACC Mid	15	14	124	120	118	118
344	12 ACC Mid	15	14	124	120	118	118
345	12 ACC Mid	15	14	124	120	118	118
346	12 ACC Mid	15	14	124	120	118	118
347	12 ACC Mid	15	14	124	120	118	118
348	12 ACC Mid	15	14	124	120	118	118
349	12 ACC Mid	15	14	124	120	118	118
350	12 ACC Mid	15	14	124	120	118	118
351	12 ACC Mid	15	14	124	120	118	118
352	12 ACC Mid	15	14	124	120	118	118
353	12 ACC Mid	15	14	124	120	118	118
354	12 ACC Mid	15	14	124	120	118	118
355							

Closing prices, Dec. 21, 1981

### Eurocurrency Interest Rates

		Dec. 31, 1981					
	Dollar	D-Mark	Swiss Franc	Shilling	French Franc	ECU	SDR
1 AL	12 1/4 - 12 3/4	11 1/4 - 11 1/2	9 3/4 - 10	15 1/4 - 15 1/2	16 1/4 - 16	14 1/4 - 15 1/4	12 3/4 - 13 1/4
2 AL	12 1/4 - 12 3/4	10 1/2 - 11	9 3/4 - 10	15 1/4 - 15 1/2	16 1/4 - 17	14 1/4 - 15 1/4	12 3/4 - 13 1/4
3 AL	14 1/4 - 15 1/4	10 1/4 - 10 1/2	9 3/4 - 10	15 1/4 - 15 1/2	17 1/4 - 17 1/2	14 1/4 - 15 1/4	12 3/4 - 13 1/4
4 AL	14 1/4 - 14 3/4	10 1/4 - 10 1/2	9 3/4 - 9 3/4	15 1/4 - 15 1/2	16 1/4 - 16 1/2	14 1/4 - 15 1/4	12 3/4 - 13 1/4
5 AL	14 1/4 - 14 3/4	10 1/4 - 10 1/2	9 3/4 - 9 3/4	15 1/4 - 15 1/2	16 1/4 - 17	14 1/4 - 15 1/4	12 3/4 - 13 1/4

### Selected Over-the-Counter

[illegible]

**TIME.** The news magazine for the internationally minded.











# N.Y. Jokers Are Wild Cards As NFL Moves Into Playoffs

By Dave Anderson

NEW YORK — Up in the Shea Stadium stands behind the end zone, a young man in a green and white jersey was shouting, "The Jets are in the playoffs," and next to him a teen-ager in a blue and red stocking cap was yelling, "The Giants are in the playoffs."

For two decades, the Jets and the Giants and all their followers have been rivals. But Sunday the rivalry met.

When the Jets crushed the Green Bay Packers, 28-3, the Jets not only qualified for the Super Bowl playoffs, but they also put the Giants into the playoffs. After a generation of wondering what to do about two pro football teams that were jokers, New York suddenly has two wild cards to cherish.

Never before has New York had both of its pro football teams in the playoffs the same season. Never before has New York had both of its pro football teams put together winning seasons the same year (the Jets finished with a 10-5 record, the Giants with 9-7, following their 13-10 overtime victory Saturday over the Dallas Cowboys).

And never before has New York had such unity of purpose for its pro football teams as it did Sunday.

## How to Beat the Pack

If the Jets had lost, the Giants would have been eliminated from the playoffs, according to the National Football League's complex, debatable formula. So the Jets were in the strange position of having to win not only for themselves but also for their longtime rival. Nobody understood that better than Bruce Harper when the Jets' running back was awakened at 11 o'clock Saturday night at the Long Island motel where the Jets always stay the night before a home game.

"Terry Jackson was calling me," he said, referring to the Giants' cornerback. "He's a good friend of mine and he was telling me what we had to do to beat the Packers."

Jackson knew that the Giants had beaten the Packers twice this season and had lost 27-14 and 26-24. And if the Jets lost to the Packers, the Giants were out. "Terry told me he thought our offense could move the ball on the Packers defense but that our defense had to put pressure on the Packers' quarterback, Lynn Dickey, so he couldn't throw on rhythm. And then he told me to go back to sleep so that I'd get my rest."

## N.Y. Sack Exchange

As it turned out, the Jets moved the ball for 293 yards of total offense while the defense, notably the pass-rushers known as the New York Sack Exchange, sacked Dickey nine times, limiting him to only 12 pass completions in 33 attempts in an icy wind.

"I've heard a lot of stories about a good defensive team in this

town," he said, alluding to the praise for the Giants' defense in recent weeks. "But I know where another good defensive team is — right here. Our defense made it possible for us to have so many wins."

Walt Michaels added, "I can't thank the defense enough." And then he thanked the Jets' owners and the general manager Jim Kensil.

"When things looked the darkest," the Jets' coach said, recalling the team's 0-3 start this season, "they were the brightest."

The day after the Jets had lost in Pittsburgh for their third consecutive defeat, Kensil visited Michaels in the coach's office at the team's training complex in Hempstead.

"I just told him, 'We can win — you believe it, I believe it but now the players have to believe it, too,'" Kensil recalled. "And now they do."

## Super Bowl Kivela?

At the time the patience of the Jets' management did not appear to be a virtue. But that patience seemed a team that might have collapsed completely if Michaels had been dismissed. Darrell Ray, the Jets' free safety, was talking about that after Sunday's victory.

"Looking back," Ray said, "I think the coaches had more confidence in us than we had in ourselves. I think Walt Michaels used himself as a smokescreen to take some of the pressure off us. He couldn't blame a lot of players for a lot of mistakes. But he didn't."

And so the Jets turned themselves around, winning 10 of their last 13 games. That span was marred only by two disturbing losses to an inferior team, the Seattle Seahawks, and a tie with the Miami Dolphins, who finished one game ahead of the Jets in the American Conference East.

This season the possibility exists that the Jets and Giants could meet in Super Bowl XVI at the Silverdome in Pontiac, Mich., on Jan. 24. To create that matchup, both the Jets and Giants must win their next three playoff games — Sunday's wild-card game, then the divisional playoffs and then the conference championship games.

It's unlikely, but it's not impossible.

## Bengals 30, Falcons 28

In Atlanta, Ken Anderson passed for 299 yards and two touchdowns to lead Cincinnati, champion of the AFC Central Division, to a 30-28 victory over Atlanta, clinching the home-field advantage for the Bengals through the playoffs.

The Bengals (12-4) withstood a valiant Atlanta comeback bid in which the Falcons threw 97 yards for a touchdown and 1:19 left to play, and then recovered an outside kickoff only to have rookie Mick Luckhurst miss a 33-yard field goal as the final gun sounded.

The Falcons (7-9) saw their wild-card playoff hopes wiped out Saturday, when the New York Giants beat Dallas in overtime, 13-10.

## Redskins 30, Rams 7

In Anaheim, Calif., Joe Theismann set a single-season team record for completions, passing for 247 yards and a pair of touchdowns to lead Washington to a 30-7 victory over Los Angeles in the final game of the season for both teams.

Theismann, an eight-year veteran from Notre Dame, completed 14 of 22 passes, including touchdown passes of 4 yards to Joe Washington and 37 yards to Virgil Sey. He finished the season with 293 completions, breaking the Redskins mark of 288 set by Sonny Jurgensen in 1967.

The Redskins finished the year with an 8-8 record while Los Angeles concluded the season with a 6-10 mark, their worst record in 16 years.

## Oilers 21, Steelers 20

In Houston, Gifford Nielsen threw three touchdown passes to tight end Dave Casper, the last with 1:51 remaining, to rally Houston to a 21-20 victory over Pittsburgh. Both teams are out of the playoffs.

Mark Malone, the Steelers' quarterback, ran two yards for a touchdown and passed for another score in the third quarter to give his team a 20-14 lead, and the Pittsburgh defense — led by tackle Tom Branson — shut down the Oilers in the second half until late in the fourth quarter.

Nielsen, who passed for 376 yards by completing 24 passes in 37 attempts, drove the Oilers 71 yards in four plays for the winning touchdown, throwing a 44-yard pass to Michael Holston that carried to the Pittsburgh 16.

## Seahawks 42, Browns 21

In Seattle, Kenny Easley returned an intercepted pass 82 yards for one touchdown and Gregory Johnson ran 31 yards with a recovered fumble for another to lead Seattle to a 42-21 victory over Cleveland. The season is over for both teams.

The Browns (5-11) lost seven fumbles and had three passes intercepted, leaving them just two short of the NFL record for turnovers in a single game. The chief victims of the turnovers were running back Charles White, who lost three fumbles, and second-year quarterback Paul McDonald, who also lost three fumbles and had one pass intercepted.

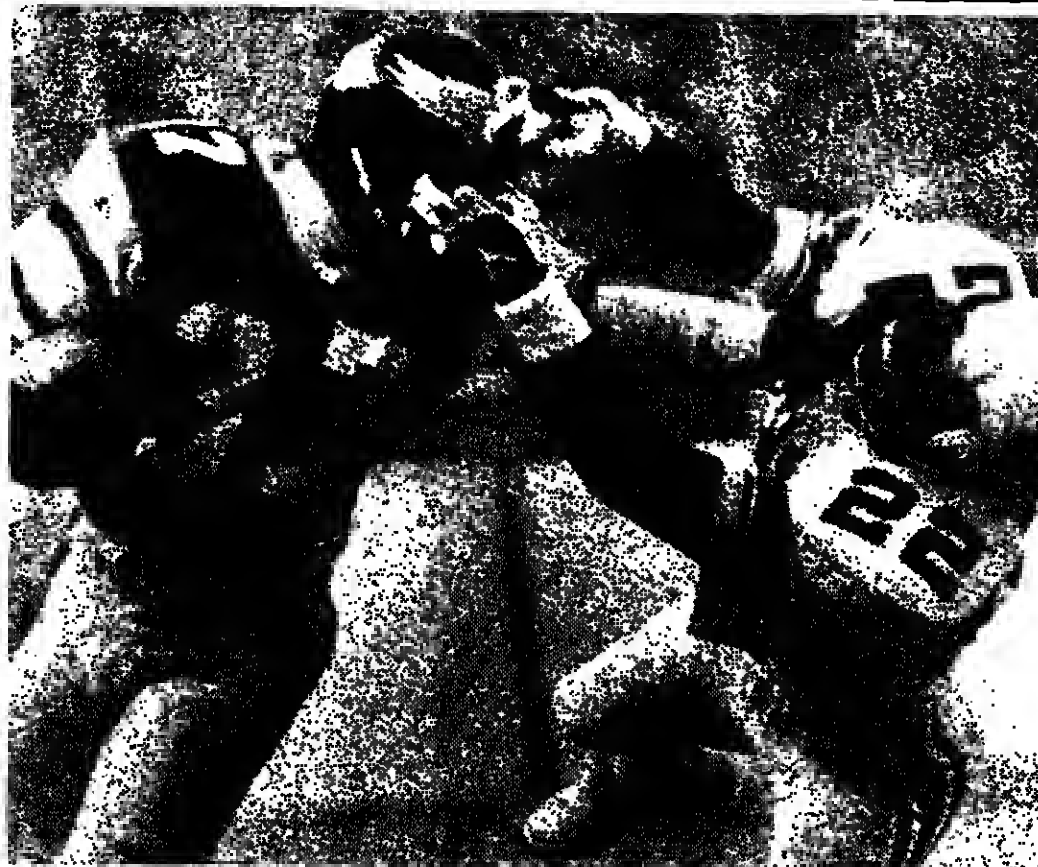
In addition to the scores by Easley and Johnson, Seattle (6-10) scored on passes of 4 and 14 yards from Dave Krieg to Steve Largent, a 10-yard strike from Krieg to Paul Johnson and a 2-yard run by Theotis Brown. The Seahawks scored each of their touchdowns following a Cleveland turnover and had only one scoring drive longer than 25 yards.

CHAMONIX, France — Erika Hess of Switzerland captured her second consecutive slalom victory on this year's women's World Cup ski circuit Monday and is well on her way to retaining her 1981 slalom title.

Hess, winner of six successive slalom last season, also regained the lead in the women's overall World Cup standings. Following Monday's slalom, which was coupled with Saturday's downhill at Saalbach, Austria, to compute combined points, Hess has 133 points to 119 for second-placed Irene Epple of West Germany.

Hess, 19, clocked the fastest times in both 60-gate slalom courses for an overall time of 1:40.40. Anni Kronbichler of Austria was second in 1:41.22 and Ursula Konzett of Liechtenstein was third in 1:41.51.

Breathless and elated after her second run, Hess said: "The course



Billy Campbell of the Philadelphia Eagles (37) and Roger Wehrli of the St. Louis Cardinals pull at each other's face masks during Sunday's NFL game in Philadelphia. Wehrli limited Campbell's gain to three yards, and officials called no penalties on the play. The Eagles won, 38-0.

# Postseason Picture Looks Different

By Steve Hershey

WASHINGTON — The National Football League playoffs, which begin next Sunday, will include at least six teams that did not participate a year ago.

Two of those teams are from New York, as the Giants upset Dallas on Saturday and the Jets turned back Green Bay on Sunday. Miami, Cincinnati, Tampa Bay and San Francisco, all out of the playoffs a year ago, have qualified. Denver could be the seventh new team if Oakland defeats San Diego on Monday night, a result that would give the Broncos the AFC West title and eliminate the Chargers.

The other teams in postseason play — Dallas, Philadelphia, Buffalo and possibly San Diego — made the playoffs last year. The Jets finished with a 10-5 record and will have the home-field advantage when they take on Buffalo Sunday for the right to play at Cincinnati the following weekend. The Giants, with their first playoff berth in 18 years, will play at Philadelphia on Sunday.

Buffalo lost its opportunity to bring the playoffs to snow country when it failed to generate any offense Saturday and lost at Miami, 16-6, to finish with a 10-6 record. "The only good thing about the loss is that a lot of teams are going home and we aren't," said the Bills' coach, Chuck Knox. "We have a road show for three weeks now. Oakland did it last year [win-

ning the Super Bowl as a wild-card entry], and hopefully we can do it this year."

If the Giants can repeat their earlier upset in Philadelphia, they will travel to San Francisco to meet the 49ers for the second time in a month. In their only loss in the last five games, the Giants were beaten, 17-10, by the 49ers when Scott Brunner completed only 13 of 34 passes and had three interceptions.

The 49ers held off the Saints, 21-17, in New Orleans to finish with the best record in the NFL (13-3) and secure the home-field advantage throughout the playoffs.

Tampa Bay dealt Detroit its first loss in eight home games, 20-17, to win its second Central Division title in three years. The Buccaneers (9-7) will have two weeks off before traveling to Dallas Jan. 2 or 3.

Miami won the AFC Eastern title with its victory over Buffalo on Saturday and will play host to either San Diego or Denver. The Broncos lost a chance to capture the AFC Western crown by losing, 35-24, at Chicago.

"It's very tough to play a football team that's got nothing to lose," said the Broncos coach, Dan Reeves. "We just have to hope for a miracle from Oakland."

San Diego can win its third straight divisional title by repeating an earlier victory at Oakland. The Chargers' fourth victory in five games would give them the same 10-6 record as Denver, but they would qualify for the playoffs because of a better divisional record (6-2) than the Broncos' 5-3 mark.

Cincinnati's 30-28 victory at Atlanta gave the Bengals a 12-4 record, best in the AFC. If they defeat the winner of the Jets-Bills game, they would have the home-field advantage against the winner of the Miami game.

This year marks the first time that three teams from the same division in both the AFC East and NFC East qualified for the playoffs.

**NFL Colts Dismiss McCormack, Name Kush as Coach**  
The Associated Press  
OWINGS MILLS, Md. — Frank Kush, a former head football coach at Arizona State University, was named Monday as head coach of the Baltimore Colts.

He replaces Mike McCormack, who was fired after compiling a 9-23 record in his two years as the Colts' coach. Kush, 52, currently the head coach of the Hamilton Tiger Cats of the Canadian Football League, was given a five-year contract.

A league official, meanwhile, earlier disclosed that the NFL had conducted an investigation to determine whether Kush was suitable to coach in the NFL.

"We have been asked by clubs to update us on Frank Kush's situation regarding the litigation that he has been involved in," Jim Heffernan, the league's director of public relations, said Sunday. "We have made such an investigation and reported back to my club that he has made an inquiry."

In citing litigation, Heffernan was referring to the lawsuit that a player filed against Kush while he was coach at Arizona State. The player alleged that Kush forced him to quit the team through physical and verbal harassment. Kush was cleared of the charges, but not before he was dismissed as coach. The dismissal prompted Kush to sue the university, and an out-of-court settlement was reached.

# Austin Rallies to Beat Navratilova for Title

By Neil Amund

EAST RUTHERFORD, N.J. — There were aces, forehand volleys and smashes, and this time Tracy Austin was hitting them instead of being on the receiving end.

Down a set and 0-2 to Martina Navratilova, Austin displayed the improved dimension of her game by winning the Toyota tennis championships Sunday night, 2-6, 6-4, 6-2. The Toyota tournament is a round-robin event in which the top eight women of the year are invited to participate.

The victory, before a crowd of 10,387, was worth \$75,000 and a new car. But more important, it allowed the 19-year-old Californian to stake her claim as the year's top player, despite having missed almost five months with an injury.

"I think I should be No. 1," she said, citing her U.S. Open and Toyota titles and winning records against Navratilova (4-2) and Chris Evert Lloyd (2-1).

## Record Rallies

Navratilova, who lost a third-set tiebreaker to Austin in the final at the U.S. Open, agreed. "My choice would be Tracy," she said. "The way she played this week, she deserved it." Navratilova, the Australian and Avon champion, collected \$40,000 as runner-up and finished the year with almost \$900,000, a single-season record. She set the mark last year with \$749,240.

Austin rebounded from an emotionally draining third-set tiebreaker loss to Lloyd on Thursday night and beat Martina Navratilova (1-6, 6-4, 6-2). Lloyd (6-1, 6-2) and Navratilova on successive nights.

This was the sixth three-set match between the two, and Austin has won five, an indication of her steadiness and determination. But it was her aggressive shot-making in the forecourt that ultimately kept Navratilova from extending an eight-game run from 0-2 in the opening set to beyond 2-0 in the second.

When her serves, volleys and smashes are working, Navratilova is in a class by herself. That was the case at the U.S. Open, when

she blitzed Austin in the first set, and it happened again Sunday night. She attacked on serve, then kept Austin off balance with under-spin backhands, drop shots and forehand cross-court passes. A straight-set victory would have assured her the year's No. 1 position.

Several years ago, when Austin's game was less flexible, she might have tried to recover from adversity by staying in the backcourt and simply changing the angle or speed of her ground strokes. But in the third game of the second set, she broke Navratilova at 15 with a forehand cross-court winner off a first serve, a forehand volley placement and a game-ending backhand placement down the line.

The forehand volley was significant because Austin attacked and won the point in a volleying exchange. In the fourth game, she put away another forehand volley for 40-15. An overhead, two service-return winners and a backhand cross-court placement broke Navratilova for 5-4, and Austin then held from 0-40 when Navratilova's usually reliable forehand and bounce smash went astray.

By the end of the 1-hour-52-minute match, Austin had three aces and two service winners, and had won 10 of 11 volley placements. Previously, if she hit seven volleys in a match, it was news.

One reason for Austin's improved volleying is her coach, Marty Riessen, an accomplished doubles player and volley technician. A second reason is her desire for acceptance and recognition as more than a baseline player.

## Baseline Is Home

But the heart of Austin's game is in the backcourt. She skillfully used the arena's high ceiling to hit lob shots that not only nullified Navratilova's net game, but also worked as an offensive weapon because of the lighting.

"Those high lobs were just too high," Navratilova said, explaining why she had chosen to play the shots on her own terms. Looking into the lights, she said, made it seem as if she were hitting with her eyes closed.

Navratilova salvaged something from the evening when she teamed with Pam Shriver for a 6-3, 6-4 victory over Wendy Turnbull and Rosalinda Casals in the doubles final, which was worth \$28,000.

## Early Vote for Lloyd

NEW YORK (UPI) — World Tennis Magazine has ranked Lloyd as the top woman tennis player of 1981. The ranking was released Monday, Lloyd's 27th birthday. It was the seventh time in the last eight years that Lloyd has been so honored by the magazine. Austin was ranked No. 2, and Navratilova No. 3.

Still to come are the rankings of the Women's Tennis Association and the International Tennis Federation. The definitive WTA rankings, which are done strictly by computer, will be released next Monday.

## NBA Standings

EASTERN CONFERENCE			
Atlantic Division	W	L	Pct.
Philadelphia	19	5	.792
Boston	19	6	.760
New York	12	14	.462
Washington	12	14	.462
New Jersey	8	18	.308

Washington	174	129	.569
San Diego	246	414	.591
Albany, N.Y.	121	209	.579

## Transactions

**FOOTBALL**  
National Football League

**SEATTLE SEAHAWKS**—Were awarded  
ace Wagner, defensive back, from the Minne-

WESTERN CONFERENCE			
Midwest Division	W	L	Pct.
San Antonio	18	6	.750
Denver	14	10	.583
Houston	11	15	.423
Utah	10	16	.385
Kansas City	9	17	.346
Dallas	6	20	.231

<b>Back Page)</b>	
<b>GUIDES</b>	<b>ESCORTS &amp; GUIDES</b>
<b>S.A.</b>	<b>ZURICH</b>
<b>TE</b> 0038 or <b>PI</b> MA-5683	<b>Vanessa Escort Servi</b> Tel 01/47 02 12 - 09 22 45

1-962-5477	
Available.	
N	
Agency	
at	

<b>Zurich - Geneva</b>
Monique Esport and Golds Service
MALE AND FEMALE
Tel: 01/361 90 00

<b>AMSTERDAM</b>
------------------

NBA Leaders			
(Through Sunday)	G	FG	FT
Kevin McHale	20	105	175
George Gervin	20	105	175
John Williamson	20	105	175
John Williamson	20	105	175

NBA Leaders (Continued)			
(Through Sunday)	G	FG	FT
Kevin McHale	20	105	175
George Gervin	20	105	175
John Williamson	20	105	175
John Williamson	20	105	175

NHL Standings			
WALDES CONFERENCE			
Pacific Division	W	L	Pct.
Philadelphia	20	11	.645
Pittsburgh	17	14	.550
NY Islanders	15	17	.469
NY Rangers	15	17	.469
Washington	10	22	.313

NHL Standings (Continued)			
Pacific Division	W	L	Pct.
Philadelphia	20	11	.645
Pittsburgh	17	14	.550
NY Islanders	15	17	.469
NY Rangers	15	17	.469

NHL Standings (Continued)			
Pacific Division	W	L	Pct.
Philadelphia	20	11	.645
Pittsburgh	17	14	.550
NY Islanders	15	17	.469
NY Rangers	15	17	.469

NHL Standings (Continued)			
Pacific Division	W	L	Pct.
Philadelphia	20	11	.645
Pittsburgh	17	14	.550
NY Islanders	15	17	.469
NY Rangers	15	17	.469

NHL Standings (Continued)			
Pacific Division	W	L	Pct.
Philadelphia	20	11	.645
Pittsburgh	17	14	.550
NY Islanders	15	17	.469
NY Rangers	15	17	.469

NHL Standings (Continued)			
Pacific Division	W	L	Pct.
Philadelphia	20	11	.645
Pittsburgh	17	14	.550
NY Islanders	15	17	.469
NY Rangers	15	17	.469

NHL Standings (Continued)			
Pacific Division	W	L	Pct.
Philadelphia	20	11	.645
Pittsburgh	17	14	.550
NY Islanders	15	17	.469
NY Rangers	15	17	.469

NHL Standings (Continued)			
Pacific Division	W	L	Pct.
Philadelphia	20	11	.645
Pittsburgh	17	14	.550
NY Islanders	15	17	.469
NY Rangers	15	17	.469

# Podborski, Hess Post World Cup Ski Victories

## Canadian Nips Mueller in Downhill

CRANS-MONTANA, Switzerland — On a track that many of his competitors criticized as bone-jarring, Steve Podborski of Canada traveled at an average speed of 64 mph (102 kilometers an hour) Monday to win the third World Cup downhill ski race of the season.

Trailing his main rival, Peter Mueller of Switzerland, for more than two thirds of the jump-ski, 3,665-meter track with a vertical drop of 978 meters, Podborski skied a perfect line down into the final slush to finish in 2:09.22. It was just 15-hundredths of a second better than Mueller's time.

Ken Read of Canada finished third in 2:09.83, fulfilling Podborski's prophecy that the race would turn into a duel between Canadian and Swiss daredevils.

A number of racers were not happy with the course because it had so many jumps.

"But this never bothered me, you have to go into a race with a positive attitude towards the track," Podborski said. "Standing at the starting gate, I was a



## Some Crocodile Tears For a Symbol's Demise



Those of us who came from the other side of the tracks knew that no matter how much wealth we accumulated, or how much fame we achieved, the alligator would never be ours.

This never stopped me from having fantasies about it. I

For those of us who dreamed that someday we would play tennis in an alligator shirt, the fantasy has turned to ashes. And with good reason. Sears Roebuck is holding a sale on Alligator Jockey shorts next week.

©1981, Los Angeles Times Syndicate

By Ann Japenga

Dixon thought his father was being coldhearted. But years later, while studying paleontology at the University of St. Andrews in Scotland, he began to see that his father was right.

Two years ago Dixon ran into

What was left? Rats, rabbits, crows — animals we consider pests.



who came up with naturalist sketchbook-type drawings. Every time an artist got too fanciful, Dixon pulled him back into line.

Though Dixon would probably disclaim the label of "pop scientist" that some have put on him

For its fecundity and adaptability, Dixon elected the rabbit as a contender. Imagining a cross between a rabbit and a deer, he unveiled the gentle rabbuck.

"Gavin loved the book," Dixon said. "He sits and writes his own now and dedicates them to Dougal."

## 2d World-Balloon Bid Fails After Two Hours

U.S. balloonists Mable Anderson and Don Ida took off in the helium balloon Jules Verne early Monday in a second attempt to complete round-the-world flight, but were down near their launch point in Jaipur in northwestern India less than two hours later and abandoned the trip for this year. The pilots were reported safe after a helium leak downed the balloon in the Rajasthan desert. Anderson and Ida started their voyage in Luxor, Egypt, on Feb. 12. Unable to gain enough altitude to cross the Himalayas, they landed Feb. 14, after traveling 2,898 miles (4,657 kilometers), at the village of Jind in New Delhi.

The Rolling Stones have ended their 1981 U.S. tour, said to be their last, and headed back to Britain in a good case of the blues. The receipts for the tour, including tickets, commercial endorsements and advertising, was placed at more than \$40 million by record industry experts. The Stones' extravaganza at Hampton, Va., was the 51st and last in a 24-city tour that began Sept. 24 in Philadelphia. The promoters insist that the tour may end the career of live Stones concerts; at least two of the group's five members have said they want to stop touring. But lead singer Mick Jagger, 37, said repeatedly, "We'll see you again," after hoisting a bottle of whisky and toasting "the last show of our life."

The U.S. Postal Service has changed its mind and offered heart transplant patient Jim Hayes a job in Knoxville, Tenn. Hayes, 29, was healthy enough to pedal a bicycle 3,000 miles across the country for his annual heart checkup at Palo Alto, Calif. But a month later he was told he was not healthy enough to be a postal worker. Hayes now says he can have that job pending a final review of his medical records.

"Country Bill" White, a country western singer when he's not in a coffin, has claimed a world record after being buried 140 days in a plywood box measuring three by three by six feet (90 by 90 by 180 centimeters) beneath the National Hall, a country-western nightclub in Killeen, Texas.

**REAL ESTATE  
FOR SALE**

**OFFICES FOR RENT**

**NEAR CHAMPS ELYSEES**  
High class furnished offices  
**BY OWNER**  
Trilingual hostesses, Telex - parking.  
33 rue Cardine 75114 Paris. Tel. 2222724

**Scientific Association** in Paris  
seeks bilingual secretary, English or  
American with work permit. Send CV

**ITALIAN PRIVATE DETECTIVE Institute** operating in Italy and abroad, needs detective secretary / assistant or director / public relations officer. Requires fluent English and Italian, sound personality, outstanding looks and conduct. Offering contract including prestigious salary, room and board, automobile at disposition. Write with recent photo: Ist. di Polizia Privata, "I Detective", Via Garibaldi

**SECRETARIES AVAILABLE**

**LANDSTAD** Bilingual personnel.  
**CAN HELP YOU.** Temporary work.  
We're better.  
Paris (1) 341 08 00.

**NEED A TEMPORARY SECRETARY?**  
Call G.R. Interim, Paris 225 59 25.

VALIDITY

from: \_\_\_\_\_

for: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

**OTHERS**  
 King C. Chaney  
 S. 430 906.  
 New York Sandy O'Hara  
 S. 752 38 90.  
 Angus Don Birch  
 S. 229 873.

— — — — —

...the ...

...and the other is the fact that the system is not a simple one, but a complex one, and the complexity is not only in the system itself, but in the way it is being used.

... ..

2000